

The student loan scheme at 5 years.

■ The first 100 days

■ Key events highlighted

■ Interview with a loan beneficiary



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Welcome our maiden Newsletter



Bob Nuwagira, Editor in Chief

We welcome you to our maiden Newsletter publication that we chose to name HESFB News. This will be a quarterly publication bringing you all the news, updates and information about our work, our relationships with our partners and the stories of those whom our work impacts significantly.

As readers of this maiden publication you have a great opportunity to internalize the journey that started in 2011 when the Ministry of Education and Sports established a Task Force to start on the work of establishing a Students Financing Scheme up till today when the HESFB (also referred to as the "Board") is about to hit the 10,000 student beneficiary milestone.

This maiden publication comes 9 years since the Task Force was incorporated, 5 years since HESFB was established, 5 years since the first cohorts were enlisted, 4 years since we started awarding loans for diploma programmes and a year since the first beneficiary fully paid up their loan obligation.

We would like to hear your feedback or even your contribution in the next Issue. Email us on info@hesfb.go.ug. Enjoy the Issue and pass it on to other readers.

Welcome to HESFB News.
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HESFB is Increasing Access to Higher Education.



Rev. Fr. Prof. Callisto Locheng A. J (PhD)
Chairperson Board of Directors, HESFB

Since its inception in 2014, The Higher Education Students Financing Board (HESFB) has been delivering on its mandate to increase access to Higher Education.

Prior to this, Government of Uganda had taken quite a number of steps to ensure that education is accessible to all Ugandans and this has been through introduction of a number of policies such as UPE; USE; UPO-LET; Skilling Uganda and later, the Students Loan Scheme.

Statistics show that basic education initiatives have increased the number of students enrollment at all levels of education with the enrolment in primary now at about 1.7 mil-

lion per year, 1.3 million in secondary, but only 180,000 manage to make to Higher Education Institutions.

In Uganda, just like many African Countries, the gross enrollment ratio in Higher Education Institutions stands at 6.3% which is very low compared to Asia and Europe whose gross enrollment ratio is above 50% or the current global average of 26%. This means that the problem of failure to access higher education is not unique to Uganda alone but is very common in most African Countries.

The government has increased the number of Higher Learning Institutions. Today, we have 9 Public Universities and 41 Private Universities with over 171 Other Tertiary Institutions and Other Degree Awarding Institutions. The Government continues to establish more Public Universities to accommodate the increasing demand for Higher Education.

These institutions are spread all over the Country; therefore services have been moved nearer to the people. Many students are able to access the services nearer their places of abode making it easy for them to access education.

The Higher Education Students' Financing Scheme is therefore intended to address the above lacuna by availing financial assistance to the needy students on loan basis. Many

students are now able to obtain loans to pursue Higher Education and there has been increased numbers of applicants over the years. Thanks to Government, we have been able to realize an increase in students benefiting from 1,201 in 2014 to 8,190 currently. In the Academic Year 2019/20, we expect to add to this number.

The beneficiaries are selected through well-established selection criteria that use a special "Means Test" comprising of a combination of indicators and other basic considerations to end up at the final list of only those we consider to be bright but with difficulties in raising fees.

Looking ahead, the challenge and opportunity lies in maintaining this trend with increasing interest in the Student Loan Scheme. As the Board intensifies publicity measures to reach those in need, the numbers are expected rise several folds.

The increasing appeal to address attrition rates, the call to open up the scheme to address key programmes in the humanities, the commitment to ensure the revolving fund and coupled with our quest to increase equitable access to Higher Education, establishes the stage for our journey ahead.

On behalf of the Board, I extend our sincere appreciation to the Government, the Minister of Education and Sports, partners, management and staff for the support over the period in increasing access to higher education in Uganda.

Rev. Fr. Prof. Callisto Locheng A. J (PhD)
Chairperson Board of Directors, HESFB

STUDENT ENROLLMENT PER YEAR (UGANDA)

Primary: **1.7m**
Secondary: **1.3m**
Higher Education: **80,000**

ENROLLMENT RATIO IN HIGHER EDUCATION INSTITUTIONS

Uganda (Africa) : **6.3%**
Europe and Asia : **50%+**
Global average : **26%**

HIGHER EDUCATION INSTITUTIONS (UGANDA)

9 Public Universities
41 Private Universities
171+ Other Tertiary Institutions

HESFB GROWTH

2014 - **1,201**
Today - **8,190**

Executive Director's Forward

I am delighted to introduce the first edition of the HESFB newsletter. We intend to make it a regular publication and to use it to keep you in touch with news and developments that relate to student loan scheme implementation. In this and future editions, we shall be informing our Stakeholders on the strides being undertaken to fulfill the mandate of the Board.

The launch of the students' loan scheme five years back in April 2014 was a major breakthrough in widening and broadening access to higher education in this country for the brilliant but needy students. I am impressed by the progress made by the Board as elaborated in this newsletter. To date, the Board has supported 8,197 students for both undergraduate degree and diploma courses in all the Public and Private Chartered Universities including Other Tertiary Institutions that offer diploma programmes.

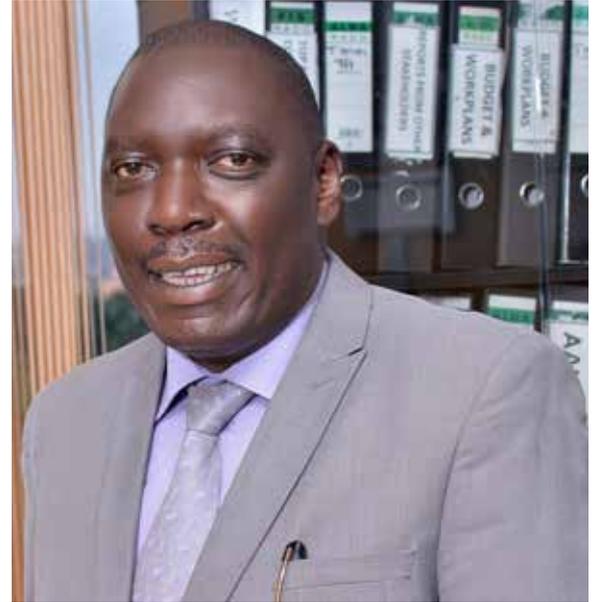
The Higher Education Students Financing Board was set up primarily to increase equitable access to higher education for all Ugandans; to support qualified students who cannot afford higher education; to ensure regional balance in higher education services for all Ugandans; to support programmes which are deemed critical for national development and to ensure a sustainable revolving loan Fund.

In order to meet its mandate, a nine (9) Board

council was set up with a skeleton staff of eleven (11) staff who worked tirelessly with zeal to make the scheme a success. The staff number has since increased to 26. The Board's business however, is unique in nature because it involves giving out loans without collateral security. The law that establishes the Board deems that students who are given loans are poor and do not have any assets to pledge as security. The Board found itself in a situation where there were no similar businesses in the Country to benchmark from and hence had to be very creative.

A number of policies and regulations were internally developed to support its activities and these included the Credit manual; Financial manual; Human Resource manual; Internal Audit manual; Transport manual among others. These have been guiding documents in day to day operations. This was followed with the development of a three year strategic plan to provide a clear roadmap of the implementation of the Boards activities.

The above backed up with a robust ICT framework has enabled the Board to serve its clients in a very transparent manner. For instance, the Board in awarding loans ensures



*Michael O. Wanyama
Executive Director, HESFB*

that the composition of the student loan beneficiaries achieve a more socially acceptable balance amongst the various socio-economic groups by taking into consideration the regional balance; gender; social economic needs and equity. This is effectively addressed through the "Means Test Parameters" of choosing the most needy/usually the disadvantaged person or the poorest among the poor.

The Boards motto is "increasing access to



President Yoweri Museveni hands over a dummy cheque while launching the Student Loan Scheme at Kyambogo University



HESFB's **Hebert Kizito** interacting with school students at an exhibition on the Student Loan Scheme

higher education” which resonates well with the sector main goals of increased access; quality; efficiency and effectiveness. This is also in line with the Uganda vision 2040 that emphasises a transformed Ugandan Society from a Peasant to a Modern and Prosperous Country within 30 years,” which builds on the progress that has been made in addressing the strategic bottlenecks that have constrained Uganda’s socio-economic development since her independence.

The Board is determined to provide funding to students and train human capital with the relevant skills to champion the economic growth of the nation. The Board has been supporting mainly STEM courses in Tertiary Institutions as guided by His Excellency the President of Uganda who has advised that these are the programmes that produce not only the knowledge needed to drive economies but also the hands –on skilled human

resources required to do the jobs. For inclusive education the Board supports persons with disabilities to do any course of their choice including humanity programmes.

”

The Board is determined to provide funding to students and train human capital with the relevant skills to champion the economic growth of the nation.

fund. All funds disbursed shall be recovered in a period of 6 to 10 years depending on the course period. To minimize non-performing loans, the Board has put in place a number of interventions that will ensure all repayments are promptly collected through employers’ deductions and remittances and also manage emerging challenges to ensure that collections targets are attained. All loan beneficiaries are registered with the Credit Reference Bureau and the loans given takes priority over all deductions save for taxes and other statutory deductions.

I would like to salute the Board for the great

oversight role played and commitment exhibited during the execution of their duties. I would like to extend my appreciation to the following:

On the recovery angle, the first cohort of students who were given loans in 2014 have completed their studies and are expected to start repaying the loans in order to create a revolving

The Minister of Education and sports, Ministers of state for education; the Permanent Secretary and entire staff of the Ministry of Education and Sports for the support and advice given to the Board.

The Parliament of Uganda for the great support and ensuring that we continuously get more resources to support needy students.

The Universities and Other Tertiary Institutions officials and the students for the good working relationship.

The staff of HESFB for the commitment, hard work and resilience. Truly the Staff have worked hard to ensure that the mandate of the Board is achieved.

I wish to congratulate the editorial team headed by the Senior Communication Officer- Mr Bob Nuwagira for the maiden newsletter and wish our stakeholders nice reading.

Michael O. Wanyama
Executive Director
Higher Education Students Financing Board

Student Financing Scheme: My Recollections of the First 100 Days!



By Bbosa Kizito

The journey to operationalise the Students' Financing Scheme started in February of 2014 and immediately after, the taskforce hired four members of staff. These were the Head of Operations who now became the Loans and Scholarships Manager and three (3) Loans Officers.

All of us were Bankers with a wealth of experience in Lending, structuring Loans both secured and unsecured and facilitating Micro, Small and Medium Enterprises (MSMEs). As bankers the normal practising is being risk averse, so when we embarked upon structuring of the students' loans, the first thing was to figure out the would be

borrowers' (students) ability to payback.

Having worked in such a risk averse environment for many years, every one was fully engrossed into terminologies like, security of funds, payback period, interest rates, lending software and others.

Soon the entire reality set in – furniture was not enough, the team did not have computers, there was no reference material apart from the Uganda Higher Education Students' Financing Policy which had been approved by Cabinet. There was no Law, there was no internet, there was no printer, but a few chairs to sit on.

The office was just a big hall, but everyone around looked optimistic and enthusiastic to see that the program takes off.

Soon the furniture was purchased, the computers were brought in, wifi was installed and the office got shapped up and H.E the President of Uganda ascended to the Higher Education Students' Financing Bill into Law. In the process

of National Budgeting, the taskforce as a subvention of the Ministry of Education and Sports received Ushs 6.5 billion.

When all took shape, the Coordinator (now Executive Director) only wanted to operationalise the Scheme, and the liberator was the trip to Nairobi to learn from the staff of the Higher Education Students' Loans Board of Kenya whose operations started as far as 1974.

We learnt a lot from the Kenyan team and on returning home, immediately we embarked upon drafting the Credit Policy, the related supportive documents, which included, the

Loan Application Form, the Scorecard, the subsequent Loan Disbursement Form, the Appeals Form and all the nitty gritty related with operationalising the Scheme.

When the waters settled, the Board was inaugurated, and HE, the President launched the Students' Scheme on 24th April 2014, at Kyambogo University.

So we settled to start work, and soon the Board sat to make the intial approvals which involved the Loan Application Form, the mode of distributing the Forms, the structuring of the Loan Protection Fees, the Interest rate (Value Retention fee) applicable to the mature Loans, the Score card, the Bank account receiving the Loan Processing fees, the programmes for support and the Universities with which the Scheme started.

We started off our work with 12 Universities, but the Board has since approved another 18 Universites and 36 Other Tertiary Institutions to participate in the Scheme. Also in 2014, students applied to be supported to pursue 26 Science Programmes to which the Board has approved an increase up to 204 Programmes for support. At the time, the Board received 2,125 Loan Applications of which 1,201 applicants were awarded with Loans. The number has since grown to 8,190 students.

This long journey would have been very hard without the Chairperson of the Board, the Board Members and the Executive Director. We also have much to owe His Excellency the President of the Republic of Uganda, the Cabinet Ministers and Parliament for supporting and appropriating funds to the Students' Financing Scheme and for enabling the financially disadvantaged citizens of Uganda to access Higher Education which would have been a dream never to be realized

The Writer is the Loans & Scholarships Manager, HESFB

HESFB's Loan Performance since 2014/2015 Academic Year.

The Higher Education Students' Financing Board (HESFB) was established in February, 2014 by an Act of Parliament HESFB Act No. 2 of 2014, with a mandate to provide loans and scholarships to Ugandan students to pursue Higher Education. HESFB is intended to provide loans and scholarships to Ugandan students who have qualified to pursue accredited courses of study or programme of higher Education in recognized Higher Education Institutions but are unable to support themselves financially.

In the last 5 years, the Higher Education Student's Financing Board (HESFB) has awarded loans to **8,190 beneficiaries** to pursue **130 degree programmes** and 76 undergraduate diploma courses mainly on Science, Technology, Engineering and Maths (STEM) programmes apart from learners with Special Needs who can access loans to pursue Business and Humanities Programmes.

Through HESFB, the NRM Government is supporting the training of courses whose graduates are currently needed by the local job market, one of the promises in the 2016 – 2021 Manifesto.



Rehema Nakato, one of the 2015/16 cohorts graduated with a Bachelor of Science in Public Health from Gulu University

TOTAL STUDENTS

8,190

5954 2,236

The HESFB Timeline

The Higher Education Students financing Board (HESFB) has evolved over time. Mandated to provide loans and scholarships to Ugandan students joining Higher Education Institutions in 2014, the five year journey has resulted in over 8000 students supported with loans by 2018 and these could soon reach the 10,000 beneficiaries milestone.

This timeline takes you back on how this journey started and evolved over the years. It all started in the year 2011.

**May 1st,
2011**

The Students' Loan Task Force of the Ministry of Education and Sports is Established. A team of three headed by CPA Mr. Michael Wanyama as Project Coordinator, Ms. Peace Bategeka as Administrations Officer and Mr. Timothy Ojara as the Legal Officer is composed. The team coordinates the drafting of the Uganda Higher Education Students Financing Policy

**January
2012**

Cabinet approves the Uganda Higher Education Students' Financing Policy. This paves the way for the drafting of the Bill.

**February
2014**

The President of the Republic of Uganda, HE Gen (Rtd) Yoweri Kaguta Museveni signs the Higher Education Students' Financing Bill, 2013 into Law, consequently, Higher Education Students' Financing Act, 2014. The Law establishes The Higher Education Students Financing Scheme, The Higher Education Students Financing Board (HESFB) and the Secretariat to the Board among others.

**April 23rd,
2014**

The President of Uganda, HE Yoweri Kaguta Museveni launches the Higher Education Students Financing Board (HESFB) at Kyambogo University.

**June 23rd,
2014**

The 1st call for Student Loan Applications for the Academic Year 2014/2015 is advertised. Applicants were to join in 26 undergraduate degree programmes from 9 disciplines and running in 12 Universities.

A total of 2,125 applications are received of which 457 (21.5%) are female and 1,668 (78.5%) are male. A total of 5 are persons with disabilities were also awarded loans.

**August
2011**

The Students' Loan Task Force Registers as a member of the Association of African Higher Education Financing Agencies [AAHEFA]

**December
2013**

Parliament passes the Higher Education Students Financing Bill, 2013.

**April 9th,
2014**

Cabinet approves the pioneer Board of Directors (BOD) for the Higher Education Students' Financing Board (HESFB) headed by Rev Fr. Prof Callisto Locheng AJ (PhD)

May 8th 2014

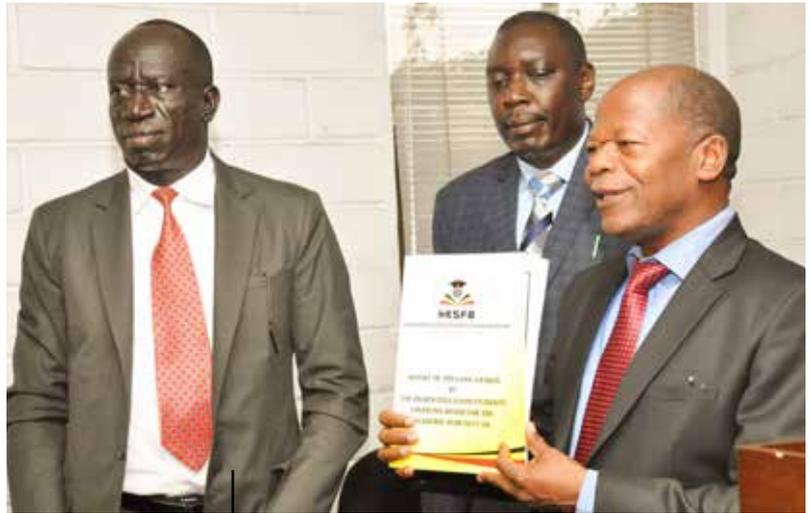
The First meeting of the Board establishes two working committees; The Loans and Scholarships Committee chaired by Prof. Christine Dranzoa, the Vice Chancellor, Muni University and the representative of the Vice Chancellor's Forum on the BOD. The Finance and Administration Committee was chaired by Mr. William Ndolerire, Assistant Commissioner Social Services at the Ministry of Finance Planning and Economic Development (MoFPED).



Hatika Namyala, the 1st Beneficiary to pay all her student loan obligation receives a recognition certificate from the State Minister for Higher Education, Hon. Christome Miyingo

May - August 2016

- The 3rd call for student loan Applications, 3,764 Apply, 1,325 are awarded (403 Female, 922 Male).
- Soroti University and Kampala University are added. Board increases courses to 50 degree and 62 Diploma programmes.



The State Minister for Higher Education, **Hon. Dr. Chrysostom Muyingo** launches the loan awards for 2017 - 2018 at the Uganda Media Center

June - August 2015

- 33 Diploma awarding institutions under National Teacher Colleges, Uganda Technical Colleges, Uganda Allied Health Institutions and Nursing & Midwifery Institutions added.
- Kabale University, Muni University and Bishop Stuart University were approved to participate in the Students' Financing Scheme for the academic year 2015/16.
- The 2nd Call for Student Loan Applications, 4,657 applied, 1,273 awarded (410 Female, 863 Male).
- The Online Loan Application Module of ILMIS starts Operation.

July 2018

- **Hatika Namyalo**, a Diploma graduate in Nursing from Jinja School of Nursing and Midwifery, becomes the first Beneficiary to fully pay her Student Loan amounting to US\$ 3,821,000

April 25th, 2019

- The First Lady and Minister of Education and Sports, **Mrs. Janet K. Museveni** launches the HESFB Student Loan Management System, the Integrated Loan Management Information System (ILMIS) and can be accessed on www.ilmis.hesfb.go.ug.

April 2018

The tenure for the 1st BOD expires.

March 2016

HESFB ED, Mr. Michael Wanyama is voted as the Secretary General of the Association of African Higher Education Financing Agencies [AAHEFA]

June - Aug 2017

- 4th Call for Student Loan Applications to 74 Degree and 63 Diploma Programmes. Humanities Programmes are considered for PWDs.
- 4,218 Apply, 1,448 are awarded (388 Female, 1060 Male)

January 17th, 2018

HESFB signs an MOU with Federation of Uganda Employers (FUE) with the objective of facilitating recovery of funds loaned to Student Loan Beneficiaries by the Employers.

May - Aug 2018

- 5th call for Student Loan Applications to 20 Universities (Mountains of the Moon University & Makerere University Business School are added) and 36 OTIs (Uganda Wildlife Training Institute - Kasese, Uganda Fisheries Training School and Nyabeyya Forestry College are added).
- Approved courses increase to 130 degree and 76 diploma courses
- 4,881 Applications received; 2,943 Awarded (769 Female, 2174 Male)

September 8th 2014

The pioneer Student Loan Beneficiaries' list is released by the Minister of Education and Sports, Hon. Major (Rtd) Dr. Jessica Alupo (MP). The Board awards 1,201 Loans of which 298 (22%) are female and 1,027 (78%) are male.

News Updates

Minister Rallies Northern Region for More Student Loan Applicants.

The State Minister for Higher Education, Hon. John Chrysestom Muyingo has challenged the leaders of the Northern region to widely spread the information about the Student Loan facility and mobilise for more number of applicants to the Student Loan Scheme.

Hon Muyingo said that since the Ministry of Education and Sports came up with the higher education financing mechanism under the Higher Education Students Financing Board (HESFB) in 2014, the Northern region has registered low numbers of applicants to different undergraduate degree and diploma programmes that are being supported across higher education institutions.

“Through the Higher Education Students’ Financing Board, we seek to widen access to Tertiary Institutions to a broader section of the Ugandan population, allowing those of the lower socio- economic status to benefit as much as possible from higher education.”

Hon Muyingo made the remarks while addressing Resident District Commissioners (RDCs), Chairpersons Local Government Councils, Chief Administrative Officers, District Education Officers and school administrators in region in a sensitization workshop organized by HESFB at Bomah Hotel in Gulu Town.

The leaders were drawn from the districts of Alebtong, Nwoya, Lamwo, Otuke, Moyo, Nebbi, Yumbe, Zombo, Kole and Amuru. The participants also included representatives of Persons with Disabilities.

Merit Scholarships not enough

Hon Miyingo said Government was supporting 4000 students annually on merit scholarships, this translated to only 9% of the 47,000 annual total admitted students, meaning that many brilliant students were failing to access higher education due to failure to raise the required tuition and other fees.

He also noted that at the same time, Government realized that there was high attrition rates at the Universities, as students who would initially access Higher Learning Institutions were failing to complete their programmes due to failure to pay fees.

Statistics from the National Council for Higher Education (NHCE) show that, the attrition rates of students at the Universities

are in the margin of 25% and the main cause is inability to complete fees requirements.

Student Loans Option

The Minister revealed that the Higher Education Students’ Financing Scheme was therefore established to bridge this gap by availing financial assistance to the needy students on loan basis.

This loan is repaid after the period of studies with a grace period of one year and covers tuition fees, functional fees and research fees. It also caters for aids and appliances for persons with disabilities and is currently accessed by only those joining higher education institutions.

“In 2014 when the Board commenced, 1000 students benefited, with the number growing to 8,190 loan beneficiaries to date; 7,124 on undergraduate degree programmes while 1,066 on diploma programmes.”

“The Government is determined to increase the numbers of the students on the loan scheme and we ask you to take advantage of this programme,” Hon Muyingo said.

Appeal to Widen Loans Scope

Participants at the workshop raised a number of issues which could be hindering the region’s participation including high school drop outs after the ordinary level (Uganda Certificate of Education) due to lack of school fees and appealed for the programme to be extended to cover certificate programmes.

Participants also appealed that the student loan opportunity should be extended to continuing students while others asked for future consideration of allocating quarters per district to cater for regional balance.

Mr. Michael Wanyama, the HESFB Executive Director reiterated the Minister’s appeal for the leaders to mobilise in their communities more potential student loan beneficiaries. He noted that the loans do not attract only those who were recent finalists but also those who had finalized their education levels earlier and dropped out because of financial challenges.

Other papers presented by HESFB officials at the meeting included information about eligibility and scorecard for Loan scheme as well as the Loan recovery process.

Compiled By Bob Nuwagira

HESFB, Federation of Uganda Employers sign MOU for Loan Recovery

By Bob Nuwagira

The Higher Education Students Financing Board signed a Memorandum of Understanding (MoU) with Federation of Uganda Employers (FUE) with the aim of increasing the response rate of the recovery process for loans offered to Students.

While officiating the signing of the MoU, the Minister of State for Higher Education, Hon. John Chrysestom Muyingo commended the start of this partnership challenging the parties to ensure that modalities are established to ensure smooth and effective operationalization of the law.

“It is important that FUE works hand in hand with the Board to ensure all loans are recovered from beneficiaries through their employers, and the signing of this MoU marks the beginning of this partnership.”

Registered on 18th August 1960 as the “Society of Employers” and later renamed Federation of Uganda Employers on 17th August 1961 under the Trustees Incorporation Act 1939, FUE is umbrella association for all employers and promotes compliance with the law by all employers.

Some of FUE’s designated responsibilities include furnishing all employers with the lists of loan beneficiaries with due accounts, assessing information provided by employers on the details of employees and sensitizing employers on the student loan scheme. The employer’s federation is also tasked with implementing all penalties imposed on non-compliant employers.

The Memorandum of Understanding also sets HESFB with the responsibility to furnish the Federation with details relating to HESFB Beneficiaries’ Loan Portfolio, schedule of repayments and account details for employers to remit the funds. HESFB is also obligated to conduct sensitization trainings for employers on the Student Loan Scheme.

Section 26 of the Higher Education Students Financing Act, 2014 stipulates that employers must remit to HESFB a specific amount of money, not exceeding 30% from the emoluments of a student loan beneficiary. The law also sets penalties for non-complying employers.

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Send us More Students – ED to Karamoja Leaders

By Bob Nuwagira

The Executive Director, Higher Education Students' Financing Board (HESFB), Mr. Michael Wanyama has asked the leaders of the Karamoja region to mobilise more students from the region to benefit from the Board's student loan facility.

Mr. Wanyama gave these remarks while opening an awareness workshop for Local Government political and technical leaders in the North Eastern region, at Mt. Moroto Hotel, Moroto District. The workshop organized by HESFB was attended by Local Government political and technical leaders from the districts of Abim, Amudat, Kaabong, Kotido, Moroto Nakapiripirit and Napak. Kapchorwa and Kween Districts from the Sebei region were also represented.

The officials included resident District Commissioners (RDCs), District Chairpersons, Chief Administrative Officers and District education Officers. Others were representatives of Persons with Disabilities (PWDs), Head Teachers and other school administrators.

The workshop which came days before the call for cohorts for the academic year 2019/2020 was a follow up of a similar meeting in Gulu district with leaders from the North and North-Western region to help in mobilizing more numbers to the loan

scheme.

While addressing the leaders, Mr. Wanyama informed the participants that the districts in the Karamoja region had been sending in lower numbers to the student loan scheme as eligible beneficiaries. He attributed this to lack of information in the local population, an issue that had prompted the sensitization workshop.

He also dispelled misinformation that admission to the loan scheme requires lobbying and allayed fears of parents who were discouraging their students from the scheme with thought that should students fail to pay, their properties would be attached.

"People think you can't give free services in this country, but we have even indicated it on our loan application form that these loans are free," Mr. Wanyama said, adding that the loans had no bearing on the parents' properties as security but were entirely a responsibility of the student after signing an agreement with the Board.

HESFB's Loan's Officer, Allison Nankunda presented extensively on the loan application process, eligibility, loan coverage and the score card used in choosing the beneficiaries, noting that districts like Moroto and Nakapiripirit did not have any one apply to for loans in the academic year 2018/2019 while Amudat had one applicant and Kotido had to applicants in the same academic year. She

added that even for better performing districts in terms of total number of applicants like Napak (11), Kaboong (6) and Abim (11), the numbers were still very few.

Mr. Timothy Makhoha, the Manager Recoveries at HESFB shared extensively on how the Board works with students to recover the loans from the students. He established that the Board maintains a relationship with beneficiaries and helps them to affordable loan repayment schedules after their studies.

The Kapchorwa District Chairperson, Mr. Chekurui Christopher raised the issue of lack of science teachers in the region which was crippling the teaching of sciences, the focus of programmes supported under the loan scheme. He urged The Ministry of Education and Sports to prioritize science teaching in the region. The RDC Abim District, Mr. Samuel Hashaka Mpimbaza cautioned the Board against corruption to allow those in need to benefit.

Other issues raised in the meeting included the need for affirmative action for the region, the need for extensive public education on the availability of the loan facility and the need to consider opening up more courses in humanities to have more students from the region benefit.

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HESFB, FUE Meet Employers on Student Loan Recovery Initiatives.



*Mr. Bbosa Kizito
The Loans & Scholarships
Manager,
HESFB addresses
Employers*

*An official from Centenary Bank
Human Resources Department
during the dialogue with Employers*

By Bob Nuwagira

In a sensitization workshop organized at Golf Course Hotel in Kampala, the Higher Education Student's Financing Board (HESFB) engaged several employers under the umbrella of Uganda Federation of Employers (FUE), on their role in the Student Loan recovery process.

In his speech, the HESFB Executive Director, Mr. Michael Wanyama called upon employers to support the process of loan recovery as partners to ensure the revolving nature of the fund such that more needy students are supported.

Mr. Wanyama revealed that the Board was receiving huge number of applicants against a limited budget and an effective and smooth recovery process would mean more students benefit. He also elaborated the various legal obligations that set expectations of both the employers and beneficiaries and their expected roles in the recovery process.

According to a presentation by HESFB's Recoveries Manager, Mr. Timothy Makhoha, since inception in 2014, the Board has supported 8,190 students of whom 1,700 students have completed their statutory period of one year grace period and are due for payments commencing July 2019. He noted that while the Board maintains a lender -borrower re-



lationship with the student, Section 28 of the Higher Education Students' Financing Act, 2014, stipulates that student loan deduction take precedence over all other deductions save for taxes and other statutory deductions. Section 23 of the Act provides that a person who has received a student loan shall start repaying their loan with a specific interest at least one year after completion whether or not that person is employed. Employment in the Act has been defined to mean a contract of service or a person on self-employment.

The representatives of the employers mobilized under their umbrella body included several players in the Public and private sector players and a number of Civil society groups. Among those present include Nalubale Power Company, Eskom, Uganda Breweries, Toro Cement, Uganda Electricity Transmission Company Ltd, NTV, Barclays Bank and Centenary Bank. Others are Mbarara University of

Science and Technology, Infectious Diseases Institute (IDI), National Water and Sewerage Corporation (NWSC), etc. Over 80 companies and institutions attended.

In his remarks, the Executive Director, FUE, Mr. Douglas Opio noted the role played by the Higher Education Students Financing Board in preparing young people and putting them in an employable position. He urged employers to support the loan recovery process and enable the scheme to have a continuous impact it has already had on the lives of many beneficiaries.

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They Said it...



"Many of the parents are having problems in paying money for students who don't get government sponsorship. That is why we said let us have a student loan scheme."

"We shall initially start with scientists and Arts programmes should wait a little bit. When the money finally grows, we shall consider Arts. This is the apex of our education funding plan."

President Yoweri Kaguta Museveni while launching the Student Financing Scheme at Kyambogo University on Thursday 24th April 2014

"Through the Students' Loan Scheme, Government of Uganda has registered great milestones in achieving the education sector objective of increasing equitable access to Higher Education."

First Lady and Minister of Education and Sports, Hon. Janet K. Museveni at the launch of the Integrated Loan Management Information System in Kampala on April 25th 2019.



Name: Nakato Rehema Sessimba
Course: Bachelor of Science in Public Health
Institution: Gulu University

I joined the University in August 2015 and graduated in January 2019. I am very grateful for the loan scheme. I was very happy to know that I had been chosen for it in my entire class. I considered it a blessing because I really wanted to save my beloved parents from the burden of tuition considering the financial crisis we were in at that time.

I really appreciate the government of Uganda for this wonderful initiative and the money is adequate for every young person to fulfill their dreams. I never took this opportunity for granted, having been chosen for this loan scheme I studied even harder and finally graduated with a first class honors degree. Currently, I am volunteering with a great organization and am confident more doors will open for me as they did for my education. Thank you HESFB





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1. Members of the first HESFB Board of Directors, Left to Right; Mr. Legesi Stephen Muwanika, Mrs. Elizabeth KM Gabona, Prof. John Opuda - Asibo (PhD), Rev Fr. Prof Callisto Locheng AJ (PhD), Mrs. Solome Luwaga, Mr. William Ndoleriire, Mr. Michael O. Wanyama, Mr. Sserwadda Mohammed Ramadhan, Ms. Esther Kyoziira and Prof. Christine Dranzoa (PhD)

2. HESFB Board Chairperson, Rev Fr. Prof Callisto Locheng AJ (PhD) and the ED, Mr. Michael Wanyama hand over a farewell recognition award to Prof. John Opuda - Asibo as the latter departed his duties as a member of the BOD

3. HESFB Chairperson BOD, ED and ICT Manager, Moses Barisigara pose for a picture with officials from the South Korea's Student Aid System during a benchmarking visit in October 2016.

4. Delegates from the Association of Higher Education Financing Agencies (AHEEFA) in Africa attending an executive meeting in Kampala in 2014

5. HESFB ED, Mr. Michael Wanyama and Kampala University Vice Chancellor, Amb.AI-Haj.Prof. Badru Kateregga shake hands after signing of an MOU after Kampala University was enlisted as one of the HESFB Beneficiary carrying institutions.

6. HESFB ED, Mr. Michael Wanyama responding to questions during the sensitisation meeting with Employers organised by the Federation of Uganda Employers (FUE). Looking on is FUE's Executive Director, Mr. Douglas Opio.

7. HESFB's Bob Nuwagira hands over communication materials to the Dean Of Students, Lira University, Ms. Emma Aceng at a Budget Week exhibitions in Kampala.

8. HESFB's Timothy Makhoha meeting family members of a student loan beneficiary during a verification exercise.

9. The Minister of Education and Sports, Mrs. Janet K. Museveni with HESFB Chairperson BOD, Rev Fr. Prof Callisto Locheng AJ (PhD) and ED, Michael Wanyama take a picture with some of the loan beneficiaries at the launch of Online Loan Application System, ILMIS.

10. HESFB's Allison Nankunda takes a picture with a family of one of the Student Loan Beneficiaries while on verification exercise



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Steady Progress in the Loan Repayment & Recovery Process.



By Timothy Makhoha

The Higher Education Students Financing Board has since 2014 financed 8,190 students to pursue different undergraduate degree and diploma programmes. Some of these, especially diploma graduates have since finalised their studies while other cohorts are in progress.

A Revolving Fund

The Student Loan Scheme was envisioned as a revolving fund, where funds loaned to students are used to fund other students when they are paid back. In essence, for the continued operation of the Student Loan Scheme, those who received funds to support their Higher Education dreams are expected to pay back the funds at an appropriate time such that other fresh candidates can use the same to continue the cycle.

Early Repayment

In line with stipulated functions, the Loan can be repaid any time after the first disbursement. Loan Repayments while still studying is referred to as Early Repayment and is encouraged as it would mean a student leaving or finalising their studies with a smaller loan balance.

It is imperative to note here that the Loan Scheme targets 'needy students' or those students who cannot afford Higher Education but are brilliant.

Being 'Needy' is not permanent. For that matter, we are proud to report that 36 Students started paying back while still at University in line with Section 27 of the Higher Education Students Financing Act, 2014 and a total of Fifty Five Million Shillings (UShs 55 Million) has been collected so far.

The alternative is to start repayment after the Grace Period; which is a one year after completion of studies.

Beneficiaries Due for Repayment Increase

I am also glad to report that 1700 Students who completed their studies have been profiled for repayment of the Loan in line with Section 23 of the HESFB Act. This trend would have been better without the high unemployment rates especially among the youth in the country.

To ensure a Revolving Fund which is core to the furtherance of the Scheme, the Board has put in place a number of avenues to ease the repayment of the loan. For example the

that every employer who employs a person, whose loan is due for repayment, shall, every month deduct the amount specified by the Board from the salary or income of that person for purposes of repaying the student loan. This Loan deduction should not exceed thirty percent of the net salary or income of the employee but shall take precedence in deduction save for PAYE, NSSF and other statutory taxes.

Loan Beneficiaries for the purpose of Recovery have been clustered under four groups: Government Institutions; Non-Governmental



HESFB's Senior Loan Recoveries Officer, **David Walekwa** helps a loan beneficiary sign her loan schedule

Board allows Loan Instalment Negotiations and in the meantime collaborates with Centenary Bank, a bank with wide national coverage, to enable repayments on Account: HESFB 3100045969.

The Board is exploring other cheaper and flexible repayment platforms for example the Mobile Money Platform.

Cognizant of the high unemployment in the country, the Board does not restrict Loan Beneficiaries from seeking employment abroad or pursuing careers in professions different from the ones funded. What the Board is keen about is Loan Repayment to ensure a Revolving Fund.

The Loan Beneficiary therefore is obliged to repay all the outstanding loan balance plus related costs except in the event of death or permanent disability.

Engaging Employers

Section 26 of the HESF Act, 2014 stipulates

Organization; Self Employed and the Diaspora.

Through our collaboration and networks, am glad to report that we have constructively engaged the Federation of Uganda Employers (FUE) an umbrella association for all employers in Uganda to support our cause.

Plans are under way to engage Public Service for those employed in Government Organizations, Uganda Revenue Authority for those in Self Employment and Ministry of Internal affairs for those in the Diaspora. The Loans Recovery team also maintains contact with all Beneficiaries periodically.

We would like to call upon all Loan Beneficiaries profiled for loan repayment to ensure they abide by the terms and conditions of the Student Loan advanced as the only way to support this "Loan Scheme's" overall objective.

The writer is the Recoveries Manager, HESFB

Student Loan Application & Allocation Goes Online



By Bob Nuwagira

The season for offline Student Loan Applications is soon over. The conventional manual procedure requires an intending applicant to visit any of the participating Higher Education Institution (HEI) or any branch of Centenary Bank to pick application forms, fill them and hand in them in at any of the Centenary Bank branches across the country.

Centenary Bank has been acting as an intermediary between the Higher Education Students Financing Board (HESFB) and the applicants because of their wider network. But even with this, some of the applicants have to travel long distances to pick or drop off applications.

This will be history as the Minister of Education and Sports and First Lady, Hon. Janet K. Museveni launched the online loan application and management system, the Integrated Loan Management Information System (ILMIS) as the main tool in easing the process of lending business for the Board.

The system which was developed in a phased approach started off with the Online Loan Application Module in 2015 and is now able

to handle other functionalities such as, Loan Disbursement, Documents Management, Loan Recovery among others, and is appraised to enable HESFB to be efficient and transparent in delivering dependable services to the customers of the scheme.

While launching the ILMIS, Mrs. Janet K. Museveni commended the Board for fast tracking the development of the system to relieve applicants of inconveniences since they can now apply from their remote locations with access to internet.

She challenged the staff at the Board to acquire skills and utilize the system to be more productive, efficient and provide data with high integrity. "We do not want to invest in systems that will be rendered useless because of lack of human skills to use them, therefore capacity building is important," Mrs. Museveni said.

The Chairperson Board of Directors at HESFB, Rev. Fr. Professor Calisto Locheng said that the ILMIS system is already ensuring an efficient and transparent mechanism in delivering dependable services to the customers of the scheme. He further commended the system as "a strong and robust ICT infrastructure with distributed software systems that supports concurrency to counteract the anticipated workforce and pressure in the scheme."

Available statistics show that the number of student loan beneficiaries has grown from 1,201 in 2014 to 8,190 in the Academic Year 2018/19. Available information also reveals that after the 2018 call for applications alone, the Board received a total of 4,881 applications, processed 3,992 eligible applications and approved loans to support 2,943 students to study undergraduate diploma and degree programmes across different Higher Education Institutions.

According to Mr. Michael Wanyama, the

HESFB Executive Director, the cost of the manual process necessitated an Information System to support the key operations of the activities of the Scheme.

"The business of HESFB is ICT intensive and thus without a robust ICT infrastructure, doing business would be very expensive and sometimes impossible given the magnitude of the workload."

"The ILMIS will enable students to apply for loans online, check their application status, and find out their Loan balances at any time together with their repayment schedules online," Mr. Wanyama said.

A summary of the ILMIS System

a) Loan Application

This enables students intending to apply for the Students' Loan to apply online as long as one is connected to the internet.

b) Loan Allocation

Does the loan appraisals, means test (score card test), and selection of the successful applicants on merit based on the set poverty indicators and the resource envelop.

c) Loan Disbursement

Disbursement of funds is done using this module. This is done per institution.

d) Document Management

All documents that are required for the Board are kept for further use.

e) Recovery Module

Recovery of the funds is another major activity done by the Board. This module helps in the loan amortization, calculations of interest, Loan Protection fee, penalties, grace period settings and extension and Loan Balance per unit time.

URL of the system: <https://ilmis.hesfb.go.ug>

The writer is the Senior Communications Officer, HESFB



The Minister of Education and Sports, Mrs. Janet K. Museveni launches the ILMIS platform at the Prime Minister's Office

ILMIS a Game Changer for the Loan Scheme.



Mr. Moses Barisigara,

On Thursday, April 25th, 2019, the First Lady and Minister of Education and Sports, Mrs. Janet K. Museveni launched the Online Portal for Student Loan Applications, the Integrated Loan Management Information System (ILMIS). ILMIS is apparently the main ICT infrastructure in place that handles the process of lending for the Board.

Coordinating the system development process was **Mr. Moses Barisigara**, HESFB's Information and Communications Technology Manager. He shared more with **Bob Nuwagira**.

Congratulations upon the Completion of ILMIS

Thank you sir.

Tell us about the Journey of developing the ILMIS system

The implementation of ILMIS was done in two (2) phases. We started off with Phase I in the FY 2013/14 and this entailed ascertaining the magnitude of the problem and refining of the key requirements, hence the Systems Requirements Specifications. The output was the Systems Requirements Specifications (SRS) document, an input for the 2nd phase and subsequently the birth of the ILMIS.

Phase II started in the FY 2014/15 with development of an Inception report/Project Charter. This phase involved the actualization of the ILMIS SRS document into a software application as it is exactly spelt out in the Phase 1. This involved the designing and implementation of the following modules; Loan Application (this provides online facilities), Loan Allocation, Loan Disbursement, Document Management, Loanees Database, Loan Recovery and the Disaster recovery site.

Why is the ILMIS very Important?

ILMIS has got core functional facilities that offers HESFB a competitive advantage in the market of Higher Education lending. ILMIS provides one stop data storage services for the Board which increases the efficiency of the Board and the integrity of the data in the ILMIS Database.

By design, ILMIS is an online and internet enabled system. This was intended to make work of lending very easy free of garbage and used everywhere you go as long as you have access to internet.

Students have been using the Online Module since 2015/2016 Call for Cohorts. What have been the results?

In the 2015, over 300 applicants interacted with the ILMIS but only 42 applicants submitted online. In 2016, the numbers of those who attempted to apply online more than doubled to 781 and the successful applicants increased to 123. In the 217 and 2018, the numbers of those interacting with the system declined and registering only 72 and 61 successful applicants respectively.

But with the launch of the ILMIS, we expect the number of applicants to shoot up especially with the 2019/20 Cohorts.

What is the major cause of the figures depreciating in some years?

This is mainly due to the alternative Offline manual process of applying for the loans. Many applicants still don't embrace online services thinking that when you physically submit the application, you stand higher chances of getting a loan.

Public Universities have started an all-online application system. Do you intend to have the Loan Application process completely online?

Yes, we are advocating that starting with the Academic Year 2020/21, the Board should make Online Loan Application mandatory and scraps offline loan application mode.

In terms of cost and time, how is this system helping HESFB to be efficient?

Currently we have no much saving on the costs because of the parallel avenues of loan application (Online and Offline). The Board still hires data entry clerks, incurs courier services costs with Centenary Bank and Storage space of hardcopies among others.

Once Offline mode is scraped and we start 100% online mode, the Board shall minimize many resources including time (short processing time), funds (couriers, salary of data clerks, storage space, etc.).

We have always had a big problem of time since many applicants prefer offline application mode to online mode. If all applications were made online, we would need only one week to complete the processing with a report.

What are some of the challenges you anticipate in the implementation process?

Online services demand that all our clients MUST have access to internet to access ILMIS. With the current National internet accessibility statistics standing at 31.3%, It remains a challenge to users to access our e-services but all the same it is the way to go and therefore we need to move forward as Government works to increase the rate of the internet penetration in the countryside.

Can this system be used by employers in their duty of helping HESFB recover the Loans?

We are in the final stages of scaling up the ILMIS to Integrate it with other sister larger databases in order to be able to get notifications when our beneficiaries get services with other sister Government Databases examples include URA, NSSF, Pension, NIRA (Immigration) etc. This information will help the Recoveries Department in tracing the beneficiary who is hiding from his/her obligation at any stage of loan default.

The system will help to notify the Board in case for a beneficiary who could be abroad and returns through immigration, meaning that ILMIS will be getting notification when a Beneficiary returned in the country or exited through a particular port with the clear destination port/country.

Thanks you so much.

I Was Very Anxious to Know I was Individually Responsible for the Loan!

For the last 5 years, the Higher Education Students Financing Board (HESFB) has supported 8,190 students with loans to help them pursue their Higher Education dreams. The loan is intended for the brilliant but financially constrained. HESFB's

Bob Nuwagira brings you some of these untold stories.

Tell me about yourself?

My name is **Duncan Bwengye**, a fourth year student pursuing a Bachelor's Degree in Electrical Engineering from Kabaale University. I am part of the 2016/17 Student Loan beneficiaries and my HESFB Number is..... I come from Kebisoni Sub County in Rukungiri District.

How did you know about HESFB?

I got to know about HESFB through my parents. My father knew about it from a friend and told me to apply for it during my S6 vacation.

What prompted you to apply to the Student Loan Scheme?

Throughout my Secondary school education, I used to excel in class and my parents were rest assured that I would qualify for government sponsorship after my S6. They were not worried about the expenses of university education. However, as fate would have it, I did not perform as expected. I scored a good grade (14 points in PEM) but this I couldn't get government sponsorship for Electrical Engineering, my dream course. The course was also very expensive and my parents were not going to manage considering the fact that my five siblings were also in school.

So, after thinking about all these situations, I applied for students' loan scheme because if I qualified, I wouldn't struggle looking for tuition. Fortunately, I was considered for the students' loan scheme and am now pursuing my dream course. Thanks to HESFB.

Did you struggle through support for secondary education?

My Father surely struggled a lot to keep up with the school fees payment and upkeep.

So, I was basking in his toil. School fees was always paid in installments throughout the term, sometimes just in time before the start of examinations.

How did you go about the Application Process?

After learning about the Students Loan Scheme, I first had to get my admission letter from the university because it was the first requirement. I then picked and dropped the loan application forms at Centenary Bank, Rukungiri Branch as required.

Did you or your parents have any worries because it was a loan?

When I read through the contract agreement and realizing that I was solely responsible for repaying the loan, I was anxious how was I going to pay back a loan that would amount to UgShs 21Million by the end of my course. But after reading and understanding the payment terms and conditions, I realized the loan was flexible and had a long payment period plus a grace period of one year after graduating before starting to pay. An option of paying while studying is also provided for without interest.

All in all, the most important thing was managing to finance my studies smoothly till the end so I was willing to do whatever it takes to achieve it. As the saying goes, "the end justifies the means".

Did you have hope that you would be selected?

When the first list was released, I was not there! I panicked and wasn't sure what was going to happen to next. I thought my fate had been sealed. But I inquired and was told that there was an appeal window through which I re-applied. Fortunately, I was considered this time. I felt so relieved that I was able to pursue my High Education dreams.

What followed next (process of signing with HESFB)

We were invited for contract signing. The

loan officers explained to detail the terms of the contract so that we were sure of every issue. What stood out most was that "the loan agreement is between a student and HESFB, not your parents." Lastly, we were required to pay an annual loan protection fee which is 1% of the total annual loan disbursement.

How was life as a Student Loan Beneficiary?

My life as Student loan beneficiary has been plain sailing especially with tuition payments, even better than for government sponsored students. The Board pays our fees promptly so that we are not disturbed during examination period. This has helped me to concentrate on my studies since I do not have to worry about tuition payment.

When are you planning to start your repayments?

I am planning to start repayments as soon as I graduate. If resources would allow, I would have actually been paying throughout the course of my study. If I can actually get a good contract that pays off well, I will pay at once so that am settled.

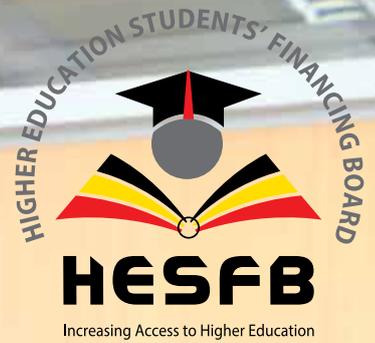
What is your overall view of the Student Loan Scheme?

Generally, the student loan scheme is a good plan for financing University education. It actually helps you to concentrate in class because you really don't want to fail to progress in class and stay put.

Any message to students beneficiaries of the scheme?

I encourage the loan scheme students to concentrate on their studies so that their loan has maximum returns. They should not worry about repayment because the terms for repayment are very friendly and affordable.

Bob Nuwagira, is the Senior Communications Officer, HESFB



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