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Ministry of Education & Sports
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Uganda

In any correspondence on
this subject please quote:

23rd September, 2019

The Hon. Minister of Finance, Planning and Economic Development
Ministry of Finance, Planning and Economic Development
KAMPALA

**RE: INADEQUATE FUNDING OF THE HIGHER EDUCATION STUDENTS'
FINANCING LOAN SCHEME FOR FY 2019/2020**

Reference is made to your letter dated 4th September 2019 on the captioned subject matter in which you were clarifying on the Clerk to Parliament letter dated 29th July 2019 ref:AB186/186/01.

While we take note of your clarification, given the huge demand as expressed by the number of applications coupled with the fact that overwhelming number of them are eligible candidates, I am forced to make an appeal based on the following justification:

1.0 Number of Applications Received and Awarded

This year, the Board received a total of 7,310 applications compared to 4,603 received in 2018/19 and this signifies a growth of 37% in the number of applications received. However, the Board awarded loans to a total of 1,834 new cohort of students of whom 1,216 (66%) male and 618 (34%) female to pursue both diploma and undergraduate degree programmes. This represents 24% success rate.

2.0 Admitted Students for the Six Years

The Board has so far awarded loans to a total of 10,024 students for the six academic years as shown in the table below: This represents 38% of the total number of applicants.

Year	No. of Applicants	No. of Students Awarded		Total	%age Awards
		Undergraduate	Diploma		
2014/15	2,125	1,201	0	1,201	56.5
2015/16	4,399	1,073	200	1,273	28.9
2016/17	3,764	1,125	200	1,325	35.2
2017/18	4,219	1,247	201	1,448	34
2018/19	4,881	2,452	491	2,943	60
2019/20	7,310	1,464	370	1,834	24
Total	26,698	8,562	1,462	10,024	38

Overall, a total of 16,674 students who applied for loans have missed the chance of attaining their dreams. The Board has registered an increase in the number of students applying for the loans to a tune of 7,310 this academic year.

3.0 Budget Provision for the Scheme

The Government over the years has been increasing the budget of the Board and in the Financial Year 2019/20, Parliament appropriated additional resource of UShs.2.4 billion bringing the total budget to UShs.30.182 billion for financing of both the student loans as well as wage and non-wage component. The total budget for the first year students stands at UShs.5.23 billion and this will support a total of 1,834 new cohort of students. It will also continue funding a total of 5,000 students already on the Scheme between the second and final years.

The Board had asked for an additional resource of UShs.7.5 billion to add to the existing resource in the budget in order to fund a total of 3,000 first year students but was given a total of UShs.2.4 billion creating a shortfall of UShs.5.1 billion.

4.0 Number of Appeals Received

After the award of the loans, the Board has received a total of 1,135 appeals and more submissions are still being registered.

5.0 Conclusion


The purpose of this letter, therefore, is to:

- i) Appraise you on the progress in implementation of the Higher Education Students' Financing Scheme.
- ii) Request for supplementary funding estimated at UShs 5.1 billion to cater for at least additional 1,500 students and this will bring the total number of students supported to 3,334 (46%) out of 7,310 that applied.
- iii) Request for your clearance to increase the MTEF allocation in FY 2020/2021.



Dr. J.C. Musingo

**MINISTER OF STATE FOR HIGHER EDUCATION/ALSO HOLDING PORTFOLIO
FOR MINISTER OF EDUCATION AND SPORTS**

- c.c
- The Rt. Hon. Speaker
 - The Rt. Hon. Deputy Speaker
 - The Rt. Hon. Prime Minister
 - The Hon. Leader of Opposition in Parliament
 - The Hon. Government Chief Whip
 - The Hon. Opposition Chief Whip
 - The Permanent Secretary/Secretary to the Treasury, MoFPED
 -  Permanent Secretary, Ministry of Education and Sports