

OPINION

Guarantee sustainability of student loan scheme

Over 5,100 students have missed out on this year's study loans as the number of applications surges.

On Tuesday, the Government released a list of the 2019/2020 student loan beneficiaries, who are going to pursue science-based and humanity courses at degree and diploma level.

According to the list, 1,834 out of the 7,310 applications were approved to receive the loans.

Although the number of students benefiting from the loans from Higher Education Students Financing Board (HESFB) has declined compared to the previous 2018/2019, the number of applicants is on the increase.

This trend is not likely to change in the coming years. The number of applicants is likely to shoot up every other year. The question is, how the financing body adjusts to match the demand.

The student loan scheme is a good strategy of ensuring that needy and bright students don't miss out on pursuing higher education. The strategy has been successful in many countries, which have been using the scheme for decades.

Since the scheme is still in its infancy in Uganda, the key stakeholders should ensure that strategies are put in place to ensure the scheme reaches a sustainability stage where it will ably respond to the increasing demand proportionately.

This means that the allocation to the fund has to be adjusted annually. For example, if the trend shows that every year, there is a 10% increase in the applications, the allocation to the fund should be increasing by 10% annually. This should be the case until the fund comes of age and some of the beneficiaries start paying back the loans.

The finance ministry this year had budgeted to support 1,500 students, but the allocation will eventually support 1,834 because of efficiency measures undertaken by the board and also most of the beneficiaries. The scheme is a work in progress and has enormous potential.

New Vision

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