



BRIEF

STATEMENT ON HIGHER EDUCATION STUDENTS' FINANCING BOARD (HESFB)

Introduction

1. Rt. Hon Speaker and Hon. Members, 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.
2. HESFB is intended to provide loans and scholarships to Ugandan students who have qualified to pursue accredited courses of study or programmes in the recognized Higher Education Institutions in Uganda but are unable to support themselves financially. HESFB implements the Students Loan Scheme. In FY 2022/23, HESFB provided loans and scholarships to 625 students.

Budget Performance

3. Rt. Hon. Speaker and members since its establishment, the Board has received Ushs. 123.076 bn and supported 28,155 students. In FY 2022/23 a budget of Ushs. 29.520 bn was appropriated to support 3,764 students, however on account of revenue shortfalls, only UShs.23.100 billion was released.
4. Rt. Hon. Speaker and Members, taking into account the total number of new students to be funded, ongoing students, the operational expenses, the total funds required for FY 2023/24 are Ushs. 44.9 bn, however on account of limited resources that were available at the time concluding the FY2023/24 budget only Ushs 31.007 bn is available to the Board, leading to a shortfall of Ushs. 13.958bn that include funding for new students and arrears as detailed in table 2;

Table 2: Budgetary resources for HESFB Financial Year 2023/24

ITEM	TOTAL COST (Ushs. Bn)
REVENUE	
Consolidated fund/MTEF	27.521
Loan Recoveries and Interest	1.5
Loan protection fees	0.136
Redemption of Fixed Deposit	1.703
Interest on Fixed Deposit	0.14
Sale of Bids	0.005
Fees and charges	0.002
Total Revenues	31.007
EXPENDITURE	
Loans to students -Degree (3,120 Students)	14.598
Loan to students -Diploma (238 Students)	0.833
Domestic Arrears –pay part of the domestic arrears (1,250)	5.625
Wages and Social security	2.479
Non-wage including rent, recovery activities, office running etc.	5.493
Investments in Fixed Deposits	1.979
Loans and Scholarships to New students (1,500)	6.75
Outstanding Domestic Arrears	7.208
Total Expenditure	44.965
BUDGET SHORTFALL	13.958
out of which Loans and Scholarships to New students (1,500)	6.75
Out of which Outstanding Domestic Arrears	7.208

5. To address the issue of funding shortfalls, we are organising a supplementary budget to be submitted to this House at an appropriate time.

Performance of the Board for FY 2023/24

6. The Board has received Ushs. 14.545bn in the First Half of this Financial Year equivalent to a budget outturn of 52% of Ushs. 27.521 bn appropriated by Parliament

**MINISTRY OF FINANCE, PLANNING AND ECONOMIC
DEVELOPMENT**

Dated:

10th October, 2023

Table 1: Highlights the budget performance for HESFB

FY	App.Budgt. (Ushs.Bn)	Act. Budgt. Release (Ushs.Bn)	Act. Budget shortfall in Releases (Ushs.Bn)	% of Budget Released	No. of Ongoing Students	No. New students	No. Planned Students
2018/19	29.357	27.956	1.401	95	2,727	2,943	5,670
2019/20	29.780	29.720	0.060	100	4,592	1,851	6,443
2020/21	29.860	25.400	4.460	85	5,270	1,146	6,416
2021/22	32.300	16.900	15.400	52	4,269	1,593	5,862
2022/23	29.520	23.100	6.420	78	3,139	625	3,764
Total	150.817	123.076	27.741	82	19,997	8,158	28,155