

MINISTERIAL STATEMENT

ON THE

STATUS OF STUDENTS' LOAN RECOVERIES

BY THE

MINISTER OF HIGHER EDUCATION (DR MUSHIMBA), MP

Mr Speaker, I wish to thank you for giving me this opportunity to render a ministerial statement this time on the students loans we offer, the administration and recoveries as applied to our public universities.

Mr Speaker, from the outset, let me say that the way the Government facilitates education in its public universities has undergone transformation. The transformation has seen it changed from a bursary scheme where students had no obligation to pay back to a loan scheme with students having to pay back into the revolving fund once they graduate. Further, the transformation has also seen a new criteria adopted for the award of the loans as follows, 30 per cent to rural applicants, 30 per cent to female applicants, 10 per cent to those with disabilities and the rest to the rest of the applicants.

Mr Speaker, the transition from bursary to loan affects all the students that attended any of the public universities and were financially facilitated by the Government from 2004 onwards.

Mr Speaker, the loan scheme that we are running in my ministry is one of the many interventions that the Government is using in response to actualisation of the fourth pillar of the Seventh National Development Plan that speaks to enhancing human capital development.

Mr Speaker, with the introduction of the loan scheme the bursary scheme therefore has been phased out such that all the students now under Government sponsorship at any of our seven public universities are on the loan scheme. It is also worth noting that despite the transformation of the scheme, the demand on this facility continues to increase. About 90 per cent of all students in tertiary institutions apply to get onto this facility.

Mr Speaker since 2004, over 45,000 students have been supported through the Student Loan Scheme across our public universities. In 2018, Higher Education Loans and Scholarship Boards started the process of recovering these loans as per their mandate. They started with all the beneficiaries that are in the civil service through the Government payroll system. They keep identifying all those that benefitted from this facility that are on Government payroll.

Mr Speaker, last year, the Zambia Revenue Authority (ZRA), National Pension Scheme Authority (NAPSA) and the formal banking sectors, Immigration Department, utility companies such as Lusaka Water and Sewerage or Digital Satellite Television (DS-tv) further, we were incorporated in the process of tracking everyone who accessed the loans from 2004 via their National Registration Cards (NRCs). A tool is now being consolidated that will integrate into all these institutions to ensure all beneficiaries are tracked, identified and asked to start paying back those that are not paying back already.

Mr Speaker, if we have any hon. Members of Parliament in here that accessed eh loan facility from 2004 upwards, and have not started paying back yet, I asked that they see me at tea break...

Laughter

Dr Mushimba: ...so that we have them sign up and they start paying back. Next time I come back to the house, I will come with a list of all defaulting hon. Members for Mr Speaker, to sanction them. Further, it is worth noting that the amnesty period for self identification and coming forward will end soon. All those that will not have come forward beyond the amnesty period will draw a penalty for each day they do not show themselves and start paying back, whether they are in formal or informal employment. From the time the Higher Education Loans

and Scholarships Board commenced the recoveries in 2018 up to the end of January, 2020, a total of K49.5 million has been recovered from the Government payroll from civil servants.

Mr Speaker, other recoveries outside the Government payroll system or from the private sector total K3.4 million for the same period. Bringing the total to K52.9 million that has been recovered from 2018 to end of January, 2020. It is worth noting that some of the recoveries from the private sector are actually from individuals that have come forward on their own accord and have paid. At this juncture, I would like to take my time to recognise and thank them, these individuals, for their patriotism and for taking personal responsibility and leading the rest of us in paying back what we owe. It is such personal conviction, values and integrity that this loan scheme depends on for its future success. The ownership by all of us that took these loans to want to pay back without the Government sending the police or bringing names to Parliament is absolutely a necessity.

Mr Speaker, the recipients of the loans are expected to repay back in total over a period of four to ten years. With the 15 per cent interest, that accounts for the lost value of the money over time and the administration of the loan scheme. The monies we have recovered so far, of over K52.988, 235.84 million has supported an additional 1,432 students in our universities that otherwise would not have received sponsorship from Government.

Mr Speaker, in conclusion, as I have alluded to already, my ministry is scaling up efforts to increase recoveries in order to ensure that, the higher education loans and scholarship boards extends its coverage and enables more young Zambia people access the fund to help them access quality higher education. We have committed ourselves to increasing enrolment numbers in our tertiary institutions and ensure all citizens are given a chance to access higher education and equip themselves for the new knowledge based economy of today and tomorrow.

I thank you, Sir.
