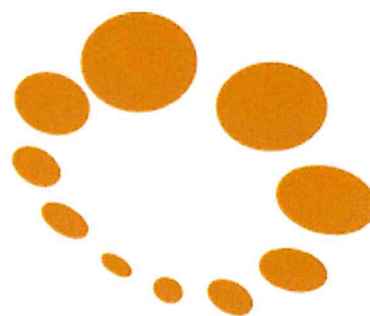


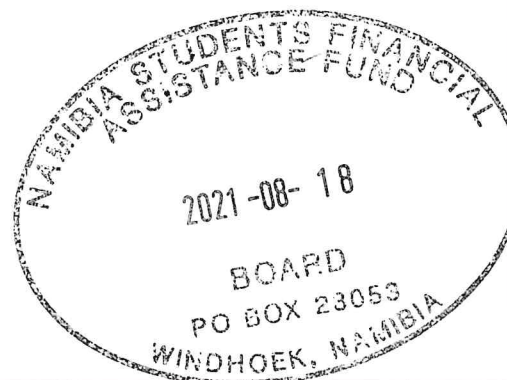
NSFAF

Namibia Students Financial Assistance Fund



STUDENTS FINANCIAL ASSISTANCE AND DEBT RECOVERY POLICY

PLAN SUBMISSION			
POLICY OWNER	DESIGNATION	SIGNATURE	DATE
KENNEDY KANDUME	ACTING CHIEF EXECUTIVE OFFICER		17/08/2021
BOARD APPROVAL			
ORGANISATIONAL APPROVAL	DESIGNATION	SIGNATURE	DATE
KLEMENS /AWARAB	BOARD CHAIRPERSON		18/08/2021



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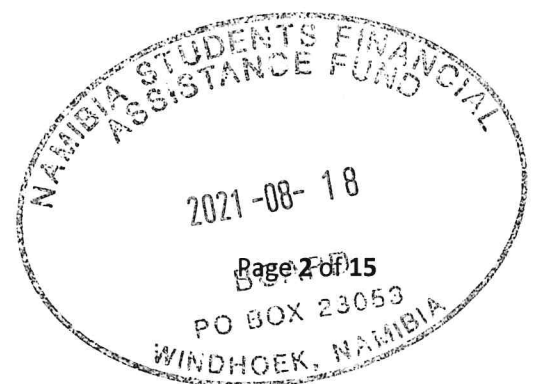


TABLE OF CONTENTS

TABLE OF CONTENTS	3
FOREWORD	4
DEFINITIONS	5
EXECUTIVE SUMMARY	8
1. INTRODUCTION	9
2. RATIONALE	9
3. ALIGNMENT	10
4. OTHER DOCUMENTS	10
5. GUIDING PRINCIPLES	10
6. POLICY DIRECTION	11
7. OBJECTIVE	11
8. POLICY STATEMENTS	11
9. PROVISION OF FINANCIAL ASSISTANCE	11
10. LOAN RECOVERY	12
11. POLICY REVIEW	15
12. CLOSING STATEMENT	15



FOREWORD

Namibia has set itself a long-term vision of becoming a prosperous and industrialized nation, developed by her human resources enjoying peace harmony and political stability. A key to unlock the opportunities inherent in our natural resources and our people is to develop our human capital by investing in training, health and education.

Human resource development has been identified as one of the key strategies that will transform Namibia into a knowledge-based industrialized economy by 2030. This is articulated in Vision 2030, the National Development Plan (NDP5) and Harambee Prosperity Plan. The National Human Resources Plan (NHRP) was developed to highlight the critical skills shortage in key trades and professions. The successful implementation of the NHRP requires various actors to play their roles in contributing to the development of much needed human capital through strategic partnership that promotes employment creation and employability of the people of Namibia.

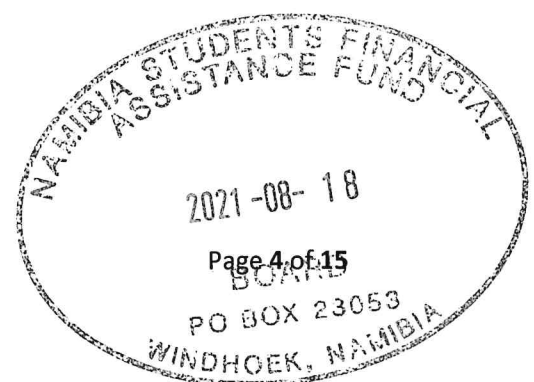
As an agency of government, Namibia Students Financial Assistance Fund (NSFAF) has an important mandate as set out in the NSFAF Act, 2000 (Act No. 26 of 2000). In order for NSFAF to facilitate the implementation of its mandate, NSFAF requires operational policies. For this reason, the Ministry of Higher Education, Technology and Innovation (MHETI) and the Namibia Students Financial Assistance Fund (NSFAF) have spearheaded the development of the Student Financial Assistance and Debt Recovery Policy that will guide the country's efforts in ensuring that financial assistance is provided to students to enable accessibility, and regional equity, while at the same time ensuring that the Fund remains sustainable.

It is my expectation, that NSFAF will successfully implement this Policy and make the desired impact in terms of human capital formation.

I wish to appreciate and commend all stakeholders who participated in the compilation of this Policy. I further wish to reiterate the government's commitment to provide an enabling environment for the successful implementation of this Policy and call upon all partners to support the realizations of its core objectives.

Dr Itah Kandjii-Murangi, MP

Minister of Higher Education, Technology and Innovation
Republic of Namibia



DEFINITIONS

In this Policy unless the context otherwise indicates –

Act-means the Namibia Students Financial Assistance Fund Act, 2000 (Act 26 of 2000);

Active Borrower- means a Borrower who is still receiving financial assistance from NSFAF;

Agreement – means an agreement entered into between NSFAF and a student as stipulated in section 18 of NSFAF Act, 2000(Act No 26 of 2000);

Applicant - means a student, who has applied for financial assistance in terms of section 17 of the Act;

Approved Institution of Higher Education – means an Institution of Higher Education approved by the Minister under section 2 of NSFAF Act, 2000(Act No 26 of 2000);

Award- means a process when a student has been considered for financial assistance, informed and issued with a loan or grant award letter and ultimately the student has signed a loan or grant agreement;

Award letter – means a document communicating a final confirmation for the granting of financial assistance;

Bad debt- means the entire loan, a portion of a loan or a portfolio of a loan that a lender considers to be uncollectable;

Bilateral/Multilateral Agreement Scholarship – means a financial assistance offered by a Government, international organisation or institutions to Namibian students to study in selected fields of study in which NSFAF has executing responsibilities;

Board- means the NSFAF Board referred to in section 5 of NSFAF Act, 2000(Act No 26 of 2000);

Borrower - means a student to whom a loan has been awarded in terms of the NSFAF Act, 2000(Act No 26 of 2000);

Breach of Contract- means if that student fails to comply with or contravenes a term of the agreement;

CCT – means Cabinet Committee on Treasury;

Co-Funding- means joint funding of students between NSFAF and Other Institutions;

Completion of studies – means a point when all results for a programme undertake are officially published;

Financial Assistance - means financial assistance in the form of **loans or grants** provided to a student under an agreement in order to enable such a student to defray, either wholly or in part, costs connected with his/her education;

Foreign Institutions of Higher Education or Vocational Training Centre– means an institution or Vocational Training Centre that provides higher education, which is registered and recognised in a foreign country;

Inactive Borrower - means a Borrower who is no longer receiving financial assistance from NSFAF as a result of having completed his/her studies or discontinuing of his/her studies;

Grant - means financial assistance awarded to a student which the student is not required to pay back to NSFAF if conditions as set out in the grant agreement are met, grants will only be applicable to merit based scholarship beneficiaries;

Higher Education - means all learning programmes leading to qualifications higher than grade 12 or its equivalent, and includes tertiary education as contemplated in Article 20 (4) of the Namibian Constitution.

Income-Contingent Repayment – means an arrangement for the repayment of a loan where the regular (e.g., monthly) amount to be paid by the borrower depends on his or her income;

Level of study - means the level as set out in the National Qualification Framework (NQF) under the Namibia Qualifications Authority Act, 1996 (Act No. 29 of 1996);

Loan – means financial assistance awarded to a student which that student is required to pay back to NSFAF;

Local Institutions of Higher Education or Vocational Training Centre– means an institution that provides higher education and which is:

- Contemplated in the Vocational Education and Training Act, 2008 (Act No. 1 of 2008);
- Established by or under Namibian law; or
- Registered as a private higher education institution under the Higher Education Act, 2003 (Act No. 26 of 2003);

Merit-Based Grant (National) - means grants awarded to top ten performers as ranked by Directorate of National Examination and Assessment;

Merit-Based Scholarships (Regional)- means grants awarded to two best-performers in Grade 12 per region, per gender, who meet NSFAF funding criteria and as ranked by Directorate of National Examination and Assessment;

Namibian citizen- means a Namibian citizen as described in Article 4 of the Namibia Constitution;

Non-Tuition Fees- means fees paid to institutions or students for accommodation, meals, and transport and prescribed books;

NSFAF – means the Namibia Students Financial Assistance Fund established by section 3(1) of the NSFAF Act, 2000(Act No 26 of 2000);

NSSCO – means Namibia Senior Secondary Certificate of Ordinary Level or equivalent;

NSSCH – means Namibia Senior Secondary Certificate of Higher Level or equivalent;

Orphan- means a child under the age of 18 whose mother, father, both parents, and a primary caregiver has died;

Pay As You Study – means a scheme provided by the Fund to working beneficiaries and to students whose parent(s)/guardian(s), as Guarantor(s), undertake(s) to pay **the capital while** beneficiary is studying.

Pre-determined rate - means a rate which is set by NSFAF and covers fees, whether tuition or non-tuition either in full or partially;

Post-graduate studies - means any studies towards a qualification from the National Qualification Framework (NQF) level 8;

Selection Criteria – means a measure utilised to determine the eligibility of the students for financial assistance based on social consideration, academic performance, priority of study or parental/own income;

Student – means a person who is a Namibian citizen and is eligible for admission or is admitted for a course of study at an approved institution of higher learning, as defined in section 1 of NSFAF Act, 2000(Act No 26 of 2000);

Tuition Fees- means fees paid to institutions for instruction offered by Institution of higher education and Vocational Training Centres;

Undergraduate studies - means any studies towards a qualification from the National Qualification Framework (NQF) level 6 to 7;

Vocational education and training – means education and training as defined in section 1 of the Vocational Educational Education and Training Act, 2008 (Act No. 1 of 2008);

Vulnerable child - means a child under the age of 18 years and currently at high risk of lacking adequate care and protection.

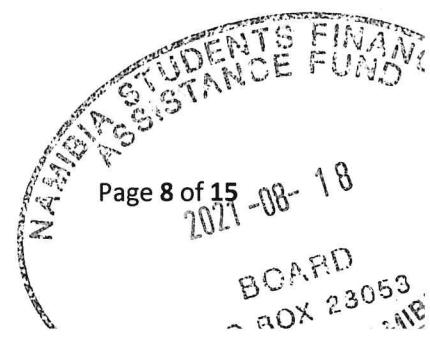
EXECUTIVE SUMMARY

This Students Financial Assistance and Debt Recovery Policy aims at ensuring that the provision of financial assistance is responsive and aligned to national development goals.

The Policy covers the following strategic areas regarding the provision of financial assistance to students:

- Eligibility criteria for granting financial assistance;
- General conditions for granting financial assistance;
- Borrower's obligations and expected repayment period.

NSFAF as the implementing agency will continue to provide reporting on the effectiveness of the implementation of the Policy.



6. INTRODUCTION

- 6.1 The Namibia Students Financial Assistance Fund's (NSFAF) mandate is to provide financial assistance to eligible students at approved institutions of higher education as provided for under section 4 of the NSFAF Act, 2000 (Act No 26 of 2000).
- 6.2 The Namibian Government is committed to foster economic growth and development in order to overcome poverty and unemployment as articulated under Vision 2030 under which the country aspires to be "A prosperous and industrialized Namibia developed by her human resources, enjoying peace, harmony and political stability".
- 6.3 It is evident that the realisation of Vision 2030, depends on the country's ability to develop the critical human resources required.
- 6.4 NSFAF is one of the key strategic partners in the development of Namibia's human capital.
- 6.5 With the enactment of NSFAF Act, 2000 (Act No. 26 of 2000), it was necessary to develop a policy instrument to ensure that such assistance are provided in a transparent, equitable and sustainable manner.
- 6.6 A Policy instrument was developed and adopted in 2011, which guided the operation of the Fund in terms of provision of financial assistance to eligible Namibians.
- 6.7 The review process has resulted in a new Student Financial Assistance and Debt Recovery Policy, which is aligned to the national objectives as expressed in Vision 2030 as well as the Harambee Prosperity Plan.

7. RATIONALE

- 7.1 Due to limited financial resources and the increasing number of students, the Fund might find it difficult to provide financial assistance to all eligible students to access tertiary education. This has brought the need to rethink our approach towards student financing in terms of ensuring that the criteria for selection are geared towards assisting the neediest students, ensuring that most of the products are in the form of loans, as well as strengthening recovery efforts.
- 7.2 This policy reflects the new approach towards student financing and is formulated by the Board in line with section 10 of NSFAF Act, 2000 (Act No 26 of 2000).

8. ALIGNMENT

- 8.1** This framework policy has been developed to respond to imperatives emerging from Vision 2030, Sustainable Development Goals, Harambee Prosperity Plan and National Human Resource Plan.
- 8.2** This is done by ensuring that financial assistance is focused on developing human capital in priority fields of study that have meaningful impact on national development, while addressing income inequality by giving preference to the needy students.

9. OTHER DOCUMENTS (LEGISLATIVE CONTEXT)

- 9.1** This policy shall be read in conjunction with the NSFAF Act and relevant regulations thereto.
- 9.2** This policy is supported by the **NSFAF Students Financial Assistance and Debt Recovery Policy Procedures**.
- 9.3** Financial Reporting Framework

10. GUIDING PRINCIPLES

The Student Financial Assistance and Debt Policy shall subscribe and be guided by the following principles and values:

- 10.1 Access-** All students shall have equal opportunity to apply for financial assistance to access tertiary education and shall be awarded based on the clearly defined eligibility criteria.
- 10.2 Sustainability-** The Fund shall endeavour to become a revolving institution, by ensuring that most of its products are offered in the form of loans; strengthening recovery; and find innovative mechanisms to generate funds.
- 10.3 Transparency-** The granting of financial assistance shall be done in a transparent manner.
- 10.4 Contribution to National Human Capital Development-** The approved priority fields of study shall be an important tool in the assessment of the eligibility of an applicant.

11. POLICY DIRECTION

- 11.1** The vision of this policy is to equitably provide financial assistance towards the development of Namibia's human capital.
- 11.2** The mission is to guide, regulate and facilitate the allocations, disbursements and loan repayments.

12. OBJECTIVE

- 12.1** The objective of this Policy is to ensure that available financial resources are allocated in a fair, equitable, and transparent manner to eligible students, and to timely and consistently recover loans advanced to borrowers.

13. POLICY STATEMENTS

- 13.1** The Policy proposes a new approach to student financing where the eligibility of a student to be awarded financial assistance depends on the eligibility criteria, which considers the following factors: Social Consideration, Priority Fields of Study, Parental or Own Income, and Academic Performance.
- 13.2** Furthermore, the new Policy puts emphasis on formulation of products that speak to the needs of the beneficiaries and potential beneficiaries pursuing different levels of studies.
- 13.3** Priority for funding will be given to public institutions, then local private, SADC and international institutions.

14. PROVISION OF FINANCIAL ASSISTANCE

14.1 Application Process

- 14.1.1** On an annual basis, NSFAF will invite students to apply for financial assistance on dates to be communicated to the general public, which shall include the opening and closing dates of the applications.

14.2 Criteria for Financial Assistance

- 14.2.1** NSFAF shall only award financial assistance to students to study at institutions of higher education that are approved by the Minister responsible for higher education (as provided for under section 2 of the NSFAF Act, 2000).

14.2.2 A student qualifies for financial assistance, if that student meets the requirements set out in the NSFAF **Students Financial Assistance and Debt Recovery Policy Procedures**.

14.2.3 Priority fields of study will form part of the eligibility criteria for granting financial assistance.

14.2.4 Eligibility for financial assistance may be determined based on the eligibility criteria that takes into consideration social status, parental or own income, academic performance and priority fields of study.

14.2.5 Notwithstanding 9.2.4 above, the Fund in its own discretion may take into account other factors.

14.2.6 The award is valid for duration of study, however students may be required to re-contract annually, based on availability of funds.

14.3 Financial Assistance and Funding Model

14.3.1 NSFAF shall provide financial assistance towards tuition fees at a pre-determined rate per category of fields of study and may provide towards non-tuition fees, subject to availability of funds, at a rate as determined by the Board.

15. LOAN RECOVERY

15.1 Obligations of a Borrower

15.1.1 A borrower indebted to the Fund, in addition to any other obligation imposed on him or her in terms of the agreement entered into between himself or herself and the Fund at such intervals as may be determined by NSFAF, must provide the Fund with information as set out in Regulation 4 of the NSFAF Act, 2000 (Act No 26 of 2000) as well **Students Financial Assistance and Debt Recovery Policy and Procedure**.

15.2 Loan Repayment

15.2.1 The Loan becomes repayable in line with the provisions of Regulation 6 of the NSFAF Act, 2000 (Act No 26 of 2000) read with the procedures and guidelines hereto.

15.2.2 The loan must be repaid to the Fund at a monthly instalment for a period of not longer than the duration of funding times two (2).

15.2.3 The borrowers who are employed shall be expected to start the loan repayments within one (1) month after the first disbursement.

15.2.4 The borrowers whose parents/guardians undertake to pay off the capital amounts can apply for a 'Pay as You Study (PAYS)' scheme and start repayment. Any remaining balance after completion of studies shall be repaid with interest.

15.2.5 The loan shall be subjected to an interest rate of prime less two point five percent (Prime rate less 2.5%), as determined by the Board with the approval of the Minister responsible for Higher Education in consultation with the Minister responsible for Finance.

15.3 Suspension of Loan Repayment

15.3.1 A borrower who:

- a) cannot find employment within six (6) months from the date that repayment of the loan becomes due; or
- b) intends to carry on with another course or field of study,

may apply in writing to NSFAF for postponement of the obligation to repay the loan.

15.3.2 A borrower who has started repayment of a loan, may in writing apply to NSFAF that the repayment and interest due be suspended, in line with the provision set out in in the Regulation 8 of the NSFAF Act, 2000 (Act No 26 of 2000) read with the procedures and guidelines hereto.

15.4 Death of Borrower

If a Borrower dies

15.4.1 While she or he is a student, his or her obligation to pay back to the Fund any financial assistance awarded to him or her lapses upon his or her death.

15.4.2 Who is in breach of Contract with the Fund, repayment may be demanded from his or her estate.

15.4.3 Who is not a person referred to in 10.5.2 and who has commenced repayment to the Fund on the date of his or her death his or her obligation to pay back to the Fund any financial assistance awarded to him or her lapses on his or her death.

15.5 Failure to Repay Loan

15.5.1 If the borrower fails to repay the loan as stated in the agreement referred to in section 18 (1) of the NSFAF Act, 2000 (Act No 26 of 2000) and the borrower has not been awarded postponement in respect of the repayment in terms of regulation 6(3) or 7(3) or suspension in terms of regulation 8, the Fund may, after sending two written **reminders to the borrower concerned and given not less than 30 days** apart, hand the matter over to a legal practitioner to collect the outstanding amount for the benefit of the Fund.

15.5.2 In addition to 10.5.1 above, the Fund shall list defaulters on Credit Bureau (ITC).

15.6 Incentives and Settlement Discounts

15.6.1 The Fund may grant incentives and discounts from time to time as determined by the Board and approved by the Minister responsible for Higher Education in concurrence with the Minister responsible for Finance.

15.7 Penalty: Allocation, Waiver and Reversal

15.7.1 A penalty as determined by the Board, shall be levied on borrowers who failed to communicate to the Fund that they have completed their studies and that they are employed (inclusive of self-employment).

15.7.2 Penalties may be waived on request by the borrower under the provisions as set out in the NSFAF Procedures and Guidelines for Financial Assistance and Debt Recovery.

15.8 Provision of Bad Debts

15.8.1 NSFAF shall provide for doubtful debts and any debt ascertained to be bad **may be** recommended for write off.

15.9 Debt Factoring

10.9.1 NSFAF may explore the possibility of debt factoring with commercial banks or any other financial institutions.

16. DEVIATION

Any deviation from this policy shall only be effective upon approval by the Board.

17. POLICY REVIEW

This Policy will be reviewed as and when the need arises.

18. CLOSING STATEMENT

Any content of this Policy, which contravenes any legislation, will automatically be overwritten by such legislation.
