



INTRODUCTION OF THE EDUCATIONAL LOAN SCHEME

May 2023

What is the Educational Loan Scheme



- As announced in the 2023 budget address, the Government recognises education as a key sector for the socio-economic transformation of our country
- Investment in our people's education represent an investment for the future of our country
- These principles underpin the Educational Loan product which is being introduced from this week
- It provides an additional option to the traditional access to tertiary education through the Ministry of Education for those who want to develop their skills based on the country's needs
- It is a scheme which is a collaboration between the commercial banks, Seychelles Credit Union, Seychelles Bankers Association, Central Bank of Seychelles, Ministry of Finance National Planning and Trade and the Ministry of Education

What are the features of the Educational Loan Scheme?



The primary features of the educational loan scheme, accessible through the signatory Credit Granting Institutions is as follows:

- A maximum loan value of SR 800,000
- An interest subsidy of 4 percent will be provided by the Government (resulting in interest borne by the Borrower being the Credit Granting Institution's interest rate less 4%)
- Repayment will be for a maximum of 10 years.
- There will be a full government guarantee.
- Personal Contribution will not be compulsory.
- Students can borrow in their own right, therefore no compulsory co-borrowers will be required
- The borrowers would be required to be bonded to the Republic based on the value of the liability for government in relation to the subsidized rates
- The students would not need to commence repayments on their loans until they have graduated and are in receipt of their degree, certificate or diploma. In the grace period, the government will cover and disburse to the lending institution its interest rate subsidy, however, the balance student borne interest would be capitalized.



What are the Eligible Courses?

- Degrees, professional courses and certain specialist diplomas are to be considered for eligible courses. These will be vetted by the Seychelles Qualification Authority to ensure quality of the institutions and courses.
- Eligible Courses are aligned to the human resource development strategy, thus driven towards areas of projected increased opportunities for growth and development, and currently stands as follows:

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|---|-------------------------|----------------------------------|---------------------------------|
| Medicine | Microbiology | Psychology | Nursing |
| Social Work/Counsellor | Pathology | Teaching | Pure Sciences |
| Information Technology | Computing | Banking | Economics |
| Accounting & Finance | Statistics | Tourism & Hospitality Management | Aquaculture |
| Marine Biology | Zoology | Fish Veterinary | Fisheries Science |
| Agronomy | Agriculture Science | Food Security | Renewable Energy |
| Dentistry | Law | Civil/Structural Engineering | Food Science & Safety |
| Environmental Science | Nutrition/Dietician | Monitoring & Evaluation | |
| Human Resource Development & Management | Marine Engineering | Navigation | Bio-Medical Engineering/Science |
| Criminal Justice/Criminology | Land/Quantity Surveying | | |
| Telecommunications Engineering | Architecture | | |

How do I access the Educational Loan Scheme?



- The loans will be disbursed by the credit granting institutions which are signatories to the Memorandum of Understanding. These banks are:
 - Absa Bank Seychelles Ltd;
 - Al Salam Bank Seychelles;
 - Bank of Baroda Seychelles;
 - Mauritius Commercial Bank (Seychelles) Limited;
 - Nouvobanq (S.I.M.B.C.);
 - Seychelles Commercial Bank; and
 - Seychelles Credit Union
- Applicants who wish to access the product would approach the institutions to commence the application process
- Applicants would contact the Seychelles Qualification Authority with details of the institutions and course for their verification and approval.
- Prior to finalization of the loan, the applicant would be required to sign a bonding agreement to the Republic

Conclusion



- A budget of SCR 8million has been allocated in the 2023 budget for payment of the interest rate subsidy under the scheme
- The Government encourages those aspiring to pursue further studies to avail themselves of this financing opportunity, and to approach these Credit Granting Institutions in order to access the Scheme
- It presents an additional option to access to tertiary education and does not replace, but rather complements the government program on tertiary education through the Ministry of Education