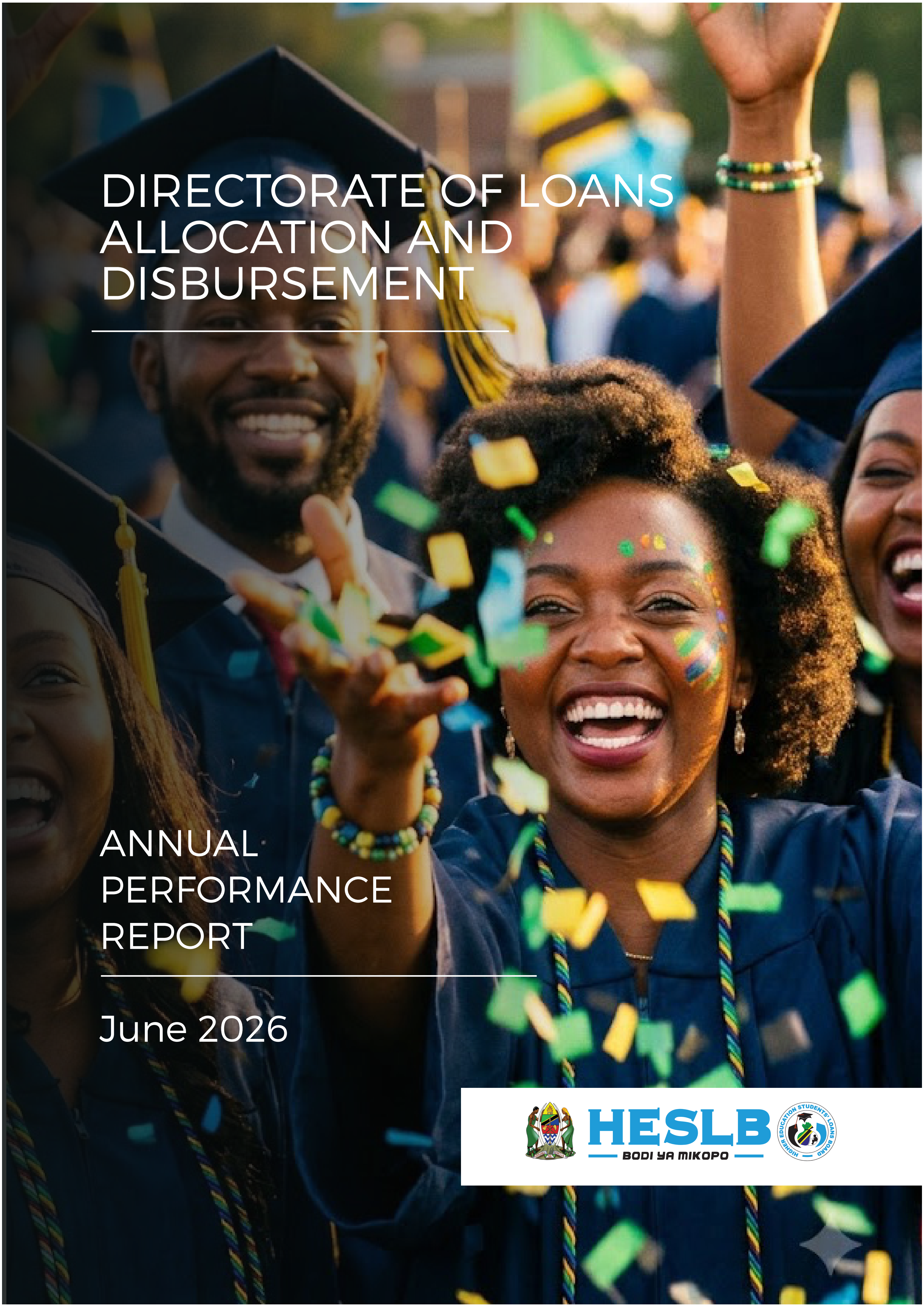

DIRECTORATE OF LOANS ALLOCATION AND DISBURSEMENT

ANNUAL PERFORMANCE REPORT

June 2026

HESLB
BODI YA MIKOPO

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LIST OF ABBREVIATIONS

BoD	Board of Directors
DiDiS	Digital Disbursement Solutions
DLAD	Directorate of Loans Allocations and Disbursement
DMO	District Medical Officer
HLI	Higher Learning Institutions
HESLB	Higher Education Students' Loans Board
ICT	Information and Communication Technology
LARC	Loans Allocation and Repayments Committee
MoEST	Ministry of Education, Science and Technology
NCAA	Ngorongoro Conservation Area Authority
NACTVET	National Council for Technical and Vocational Education
NaPa	National Physical Addressing
NECTA	National Examination Council of Tanzania
NIDA	National Identification Authority
NIN	National Identification Number
OVS	Overseas
PGD	Postgraduate
PHD	Doctor of Philosophy
RITA	Registration Insolvency and Trusteeship Agency
RMO	Regional Medical Officer
SIPA	Student Individual Permanent Account
SLA	Service Level Agreement
SOP	Standard Operating Procedures
STEM	Science, Technology, Engineering and Mathematics
TAHLISO	The Tanzania Higher Learning Institutions Students' Organization
TASAF	Tanzania Social Action Fund
TCRA	Tanzania Communication Regulatory Authority
TCU	Tanzania Commission for University
TEI	Tertiary Education Institutions
TPC	Tanzania Postal Corporation
URT	United Republic of Tanzania
ZHESLB	Zanzibar Higher Education Students' Loans Board
ZHLIFE	Zanzibar Higher Learning Fellowship

FOREWORD

The 2025/2026 financial year marks another important milestone in the operational performance of the Higher Education Students' Loans Board (HESLB) as it continues to expand access to higher education through effective management of students financing scheme. This report reflects HESLB sustained commitment to ensuring that financial constraints do not hinder eligible Tanzanian students from pursuing their academic aspirations.

During the year, HESLB recorded notable achievements in loan and scholarship allocation, supported by increased Government investment and strengthened operational systems. A total of TZS 913.2 billion was allocated to support 289,932 students across various levels of tertiary education, including undergraduate, postgraduate, and diploma programmes. This growth demonstrates continued national commitment to human capital development and reflects the HESLB expanding capacity to respond to rising demand for tertiary education financing.

Equally, the disbursement of loans and scholarships remained a key area of operational success. The full implementation of the Digital Disbursement Solution (DiDiS) enabled the timely, accurate, and transparent transfer of funds directly to beneficiaries and institutions. This transformation significantly reduced delays, improved monitoring through instant tracking, and enhanced overall user experience. As a result, students were able to receive payments timely, hence supporting their academic progress.

Despite these accomplishments, HESLB faced several operational challenges including; Increasing demand for loans, driven by expanded access to basic education, which continued to outpace available resources, leaving a proportion of eligible applicants without support. In addition, operational constraints such as data inconsistencies and delayed submission of information by institutions resulted to inconveniences to some of our students.

HESLB remains fully committed to address these challenges through strategic interventions by enhancing digital systems integration with national and institutional databases, strengthening real-time data validation, improving stakeholder coordination, and advancing predictive cash flow management to ensure timely and reliable disbursement. Management will also continue to invest in awareness and sensitization initiatives to improve the quality of applications and reduce avoidable errors.

As we look forward, we are determined to build on the progress achieved by further strengthening operational efficiency, expanding resource mobilization, and promoting inclusive access to higher education financing. Management reaffirms its commitment to upholding the principles of transparency, accountability, and service excellence in delivering its mandate.

Dr Bill Kiwia

Executive Director

EXECUTIVE SUMMARY

During the Financial Year 2025/26, HESLB recorded significant achievements in financing tertiary education. The performance milestones among others were signified by timely issuance of Loans Application Guidelines, effective implementation of public awareness campaign on Loans and Scholarships application procedures, digital transformation through system integrations and automation and improvements in handling customer complaints and inquiries.

Despite increased volume of loans applications (17% above previous year applications), the verification of loans and Scholarship applications were handled timely and hence TZS 913.2 billion were disbursed to 289,932 beneficiaries, comprising 110,134 first-year students and 179,798 continuing students. This performance has surpassed the first-year allocation target of 99,300 students by 11%.

Notably, in efforts to promote equity and inclusion 29,349 students from vulnerable backgrounds were financed. These beneficiaries include TASAF beneficiaries, orphans, students with special needs, imprisoned parents, and those previously supported by corporate sponsors. Other remarkable success includes the development of corporate sponsors portal which supported registration of 305 entities that are now sharing data of its previous beneficiaries with HESLB.

On the other hand, HESLB continued to successfully manage the Samia Scholarship Fund, a program designed to support high performing students in A-level science subjects. During the year 1,788 undergraduate and 66 Master's degree students were financed through this program.

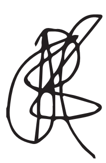
During the year new scholarship awards for bachelor degree students increased from 647 to 936, demonstrating Government's efforts in narrowing skills gap in STEM.

Similarly in efforts to support Government deliberate measures in expanding the pool of skilled professionals required to support industrialization and economic transformation, with particular emphasis on middle level technical and vocational experts, HESLB issued TZS 56.9 billion to 21,648 Diploma students enrolled in priority program. Since its introduction in the past three years, the financing of diploma students in this year has recorded a 135% increase in beneficiaries, reflecting expanded coverage of the program across tertiary institutions.

Further, it is worth noting that, the recorded success can also be attributed to remarkable full digitalization of the Digital Disbursement process, strengthened monitoring of funds through digital controls and field verification, improvements in supporting Loan Desks across institutions by conducting periodic capacity building sessions as well as having in place a dedicated system support mechanisms for our customers.

Understanding that its operational success depends on relationships with other stakeholders, during the year HESLB has successfully forged meaningful collaborations with various partners including the Bank of Tanzania (BoT), Ngorongoro Conservation Area Authority (NCAA), Tanzania Postal Corporation (TPC), CRDB Bank Foundation, Compassion International Tanzania, Basil Link Company Limited and Adapt IT. These collaborations are targeting to support mobilization of alternative financial resources, digital transformation, improving financial capability of students and graduate employability.

Despite these achievements, HESLB faces operational challenges including; increasing demand for student financing, absence or real time data sharing mechanisms with tertiary institutions and keeping pace with emerging and rapidly involving financial technologies. In response, Management will continue to strengthen its digital transformation strategies, diversify its funding sources, strengthen stakeholders' collaborations and enhance service delivery for sustainability of tertiary education financing in Tanzania.



Dr Peter Mmari

Director of Loan Allocation & Disbursement

INTRODUCTION

INTRODUCTION

HESLB was established through Act No. 9 of 2004, as part of the Government's deliberate efforts to widen participation in tertiary education by introducing sustainable financing solutions. This move represented a major reform in how tertiary education is funded, putting into practice the Cost Sharing Policy and establishing a formal framework through which qualified Tanzanian students can obtain financial assistance, through loans and scholarships.

Over the years, HESLB has significantly contributed to broadening access to tertiary education in Tanzania. Its support reaches students enrolled in accredited tertiary institutions both within the country and, in certain instances, abroad, covering multiple levels of tertiary education from Diploma to PhD. By reducing financial barriers, HESLB has continued to ensure that deserving students are not excluded from higher education opportunities due to limited resources.

To ensure the sustainability of the education loan scheme, Management continued to collect matured loans effectively and manage funds allocated through Government subvention during the year. In addition to the annual financial report, this report has been prepared to detail operational performance as a mechanism for accountability and to provide feedback to the Government, our stakeholders, and the general public.

This report highlights the strategic scale and impact of annual loan allocation and disbursement operations, demonstrating HESLB's critical role in supporting a growing number of beneficiaries across various academic levels and institutions. It further underscores continued improvements in allocation and disbursement processes coupled with prudent financial management, all of which are essential for safeguarding the long-term sustainability of the loan scheme. Ultimately, the report positions HESLB as a central pillar in the country's education financing landscape, contributing significantly to the national agenda of delivering inclusive, high-quality tertiary education and developing a skilled human capital base for socio-economic transformation.

OPERATIONAL PERFORMANCE

2.0 OPERATIONAL PERFORMANCE

Despite increased demand for loans and high customer traffic during the application phase, HESLB continued to record strong operational performance in 2025/26. Loan and scholarship applications were processed on time, and funds were disbursed to 289,914 students within the due dates, supporting a conducive learning environment.

The recorded operational performance is a result of strengthened operational capacity through investment in human capital development and adoption of technology. Specifically, the automation of the application, verification, and disbursement processes has improved the customer experience and the accuracy of student information, as well as enhanced monitoring mechanisms.

HESLB also strengthened collaboration with government institutions, financial institutions, regulatory authorities, development partners, and higher learning institutions to improve operational coordination and service delivery. Through these efforts, HESLB continued to expand access to higher education financing and support national human capital development objectives.

2.1 LOANS AND SCHOLARSHIP APPLICATIONS GUIDELINES

On **06th June 2025 HESLB** issued Guidelines for loans and scholarships for academic year 2025/26. The launch of Guidelines was officiated by the permanent secretary of the MOEST, **Prof. Carolyne Nombo at the University of Dodoma.**

The Guidelines aimed to provide clarity to prospective applicants, parents, guardians and the general public on the application process. In addition, it outlined eligibility criteria, application procedures and required documentation.

The issuance of these guidelines plays a critical role in enhancing awareness, improving the quality of applications, and ensuring that stakeholders are well-informed, thereby facilitating an efficient and inclusive application process.

These Guidelines covered various categories such as Diploma, bachelor's Degree, Post Graduate Diploma in Legal practice, Postgraduate and the

Samia Scholarship Programme. To make these Guidelines understandable to parents, stakeholders and applicants, HESLB conducted various awareness campaigns to various media houses, national exhibitions, schools and attended walking inn customers through call centers and HESLB offices. As a results, this enabled students to submit their applications correctly and in accordance with the established requirement.

2.2 APPLICATION OF LOANS

The loan application window for **2025/26** was opened on **June 15th,** 2025, and closed on **September 14th, 2025**, with a fourteen-day extension to maximize coverage and participation in the loan application exercise, thereby enabling HESLB to reach a larger pool of prospective beneficiaries.

During the period, a total of **176,026** applications were received, signifying 17% increase compared to the **150,530** applications received during the same period in **2024/25** academic year.

For the purpose of improving students KYC, HESLB implemented several improvements including the automation of residential address verification, automated identification of students who received sponsorship in their earlier education and the recognition of applicants whose parents are serving prison sentences.

HESLB in collaboration with Ministry of Communication and Information Technology automated the verification of residential address which significantly reduced the burden on applicants during loan application process unlike previous years when applicants were required to visit local government offices to secure confirmation from street or village executives. In addition, a dedicated Sponsors Portal was introduced to register educational sponsors who financed students at lower level before attending Tertiary education. A total of **305** institutions were registered, and information for **6,850** sponsored students was successfully submitted. Previously, students were required to download sponsorship forms during the loan application process and physically submit them to sponsors for endorsement. As a result, this system enabled HESLB to allocate fund to eligible needy students, reduced forgery and established reliable database for verification of sponsored students

Further, in collaboration with the Ministry of Home Affairs, HESLB established a mechanism to identify students whose parents are imprisoned. An introduction letter from the ministry of home affairs for Tanzania Mainland and President's Office-Regional Administration, Local Government and

Special Departments for Zanzibar is currently recognized and accepted as supporting documentation for such applicants. This helped applicants whose parents were imprisoned to be prioritized in loan allocation.

Over the past five academic years, HESLB has experienced a consistent increase in loan applications, rising from **99,221 to 176,026** students. This upward trend is largely attributed to increased student admissions following the implementation of free basic education, improved awareness campaigns on loan application process, and continuous improvement on ICT systems.

Table 1: Loan Application Trend

Year	Applicants
2021/2022	96,221
2022/2023	99,762
2023/2024	123,390
2024/2025	150,530
2025/2026	176,026

2.3 VERIFICATION

The loan application verification exercise is a critical process that involves assessing applicants' information, including eligibility, socio-economic status, and admission details. Following the verification process, **156,235** students, equivalent to **89%** of the applications, met the required criteria and were advanced to subsequent stages of loan processing. However, **20,694** applications, representing **11%** of the appraised applications, did not meet key eligibility requirements including exceeding the age limit of five years since completion of secondary or diploma education while some applicants had no admissions.

HESLB will continue to strengthen the verification process through ongoing system enhancements, closer collaboration with key stakeholders, and targeted awareness campaigns. Overall, majority of the applications were successful indicating improved efficiency in the application process and increased understanding of students' on HESLB application guidelines. The evaluation of verification process highlights the need for continued applicant awareness to minimize avoidable errors and ensure a higher proportion of applicants qualify in future loan application cycles.

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2.4 ALLOCATION OF LOANS AND SCHOLARSHIP

Allocation is process of assigning or awarding approved loan or scholarship funds to eligible students after assessment and verification of their applications.

During the 2025/26 Financial Year, HESLB allocated loans and scholarships amounting to **TZS 913.2 billion** to a total of **289,932 beneficiaries** pursuing tertiary education in various accredited institutions. The beneficiaries include **179,798 continuing students** and **110,134** first-year students admitted during the academic year under review. The financial support covers a broad range of levels of study, including the Diploma, Undergraduate studies, Postgraduate Diploma in Legal Practice, Master's, and Doctor of Philosophy (PhD) and Samia Scholarship Programme.

Over the years, HESLB has continued to register a steady increase in both the number of beneficiaries and the amount of funds allocated, largely driven by the growing demand for tertiary education and the expansion of learning opportunities across the country. The growth in loan and scholarship allocations reflects the Government's continued commitment to expanding access to higher education through financial assistance to eligible students. Further, the increasing number of continuing students demonstrates improved student retention, progression, and continuity within tertiary learning institutions.

2.4.1 ALLOCATION TO BACHELOR'S DEGREE STUDENTS

During the academic year 2025/26, HESLB allocated loans amounting to **TZS 843.6 billion to 265,988** bachelor degree students. Loan allocation to bachelor's degree students has continued to show steady growth in both the number of beneficiaries and the level of financial support provided over the past five (5) years. The number of beneficiaries increased from **177,892** in **2021/22** to **265,988** in **2025/26,** reflecting an increase of **34%** while funds allocated rose from **570 TZS billion** to **TZS 843.6 billion**, representing a **32%** increase. This positive trend highlights the Government's sustained commitment to expanding access to higher education, addressing the rising demand for university education, and strengthening HESLB's capacity to support more eligible students across the country.

In addition, HESLB financed continuing students who were not successful in securing loans in previous years. This initiative recognizes that some applicants may have initially lacked sufficient supporting documentation or have experienced changes in their socio-economic conditions during the course of their studies. In the **2025/26** academic year, a total of **23,964** continuing students reapplied for loans, of whom **12,484** were successfully awarded loans amounting to **TZS 40.0 billion**. Despite this progress, a few continuing students still fail to use this opportunity, primarily due to delays or failure to submit continuous assessment results from their respective institutions. To address this challenge, HESLB is strengthening system integration with higher learning institutions to ensure timely access to academic records. These improvements are expected to enhance the efficiency, transparency, and inclusiveness of the loan allocation process in future cycles.

Table 2: Loan Allocations trend for bachelor's degree students

Academic Year	First Years	Continuing	Total Students	TZS (Billions)
2021/2022	72,979	104,913	177,892	570
2022/2023	73,179	124,293	197,472	650.7
2023/2024	78,979	144,813	223,792	741.3
2024/2025	81,079	158,252	239,331	753.7
2025/2026	94,452	171,536	265,988	843.6

2.4.2 FINANCING OF OVERSEAS STUDENTS

During 2025/26 financial year, HESLB continued to finance two overseas students at a cost of **TZS 26.5 million.** Financing of new overseas students has been postponed to pave way for policy review.

The review of the overseas financing program aims to ensure that future arrangements align with national priorities, enhance accountability, and optimize the impact of higher education financing. Once finalized, HESLB will continue to finance this program in line with revised policy objectives.

2.4.3. ALLOCATION TO POSTGRADUATE STUDENTS

HESLB continued to support postgraduate education by financing students pursuing advanced studies in priority areas such as post graduate diploma in legal practice, as well as STEM programmes at Master's, and PhD level.

During the **2025/26** academic year, HESLB financed **311** first-year postgraduate students with loans amounting to **TZS 996 million** and **177** continuing students with **TZS 2.1 billion**. In total, **422** postgraduate students were financed with a cumulative allocation of **TZS 3.0 billion.**

Despite the presence of this opportunity, public servants are lagging behind in optimizing the opportunity of this financial arrangement. In order to increase the number of beneficiaries in this category, HESLB is considering to review its eligibility criteria to optimize benefits of this program.


Loans issued to 265,988
Bachelor's degree students

3.0 ISSUANCE OF LOANS TO DIPLOMA STUDENTS

The Government has continued to implement deliberate measures to expand the pool of skilled professionals required to support industrialization and economic transformation, with particular emphasis on developing middle level technical and vocational experts. In line with DIRA 2050, and its Five-Years Development Plan (4th edition) the government has set aside a dedicated loan budget to support students pursuing diploma-level programmes in key sectors. The implementation of this program is intending to address existing skills gaps and ensure a steady supply of competent professionals who can effectively contribute to productive sectors of the economy.

Given the limited resources and critical skills gap in the labour market, HESLB prioritize financing of diploma students admitted in health and allied sciences, education and vocational training, agriculture, energy engineering, mining, transport, earth science and logistics.

During academic year **2025/26**, a total of **TZS 56.9 billion** were allocated to benefit total of **21,648** diploma students. Out of it, **TZS 37.7 billion** were allocated to **14,417** first-year students and **TZS 19.2 billion** were allocated to **7,231** continuing students.

The programme has recorded significant growth since its introduction, reflecting rapid expansion during the early stages of implementation. Beneficiaries have increased by 135% within three years, indicating sustained demand for diploma-level financing. This growth is driven by increased awareness of the programme, expanded programme coverage, and greater participation of institutions.

During the year, HESLB expanded the scope of diploma programmes eligible for financing by adding five (5) new programs, making a total of 97 financed programs. These additions are aligned with national priorities in digital transformation and industrial development, and intend to strengthen the country's technical and professional workforce. (A detailed list of financed diploma programmes is provided in the Appendix number i)

Table 3: Trend of Diploma Loan Beneficiaries

Academic Year	First year	Continuing	Total students	TZS (Billions)
2023/2024	2,304	410	2,714	7.4
2024/2025	7,040	2,104	9,144	23.9
2025/2026	14,417	7,231	21,648	56.9

3.1 LESSON LEARNT

Implementation of the diploma loan scheme under the HESLB has revealed several insights that are worth noting for operational and policy improvements as follows: -

Geographical dispersion of institutions:

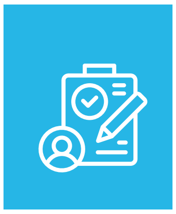
Diploma colleges are widely spread across Tanzania. This necessitates the need for enriched operational budget to cover monitoring and operational cost

High turnover of loan officers:

Frequent changes of institutional loan officers disrupt continuity, requiring repeated training and affecting consistency in loan processing and reporting. To address this concern, HESLB will continue to advise TEI's to have good retention policies to ensure business continuity

Limited ICT capacity:

Some institutions have strong digital systems while others lack adequate ICT infrastructure and skills, leading to delays and inconsistencies in information management and sharing. This insight calls for the need of shared ICT infrastructure or increased attention and investments in ICT across institutions.



Admission and registration challenges:

Delays and inconsistencies in submission of admission data affect timely verification of students and slow down loan processing and approvals. Specifically, this challenge is critical to Diploma students who are admitted in institutions regulated by either TCU or NACTVET. HESLB will continue to work closely with TCU, NACTVET and TIEs to ensure seamless sharing of information related to admission and registration.

Variation in academic calendars

Due to the centralized management of examinations for Diploma in health and Allied Sciences programmes by the Ministry of Health, the release of supplementary examination results has not been timely, leading to delays in the allocation process for students under these programmes. HESLB will continue to engage with the Ministry of Health and NACTVET to ensure supplementary examination results are released on time in order to minimize delays that affect most Health and Allied Sciences students.

Loans were allocated to 14,417 First year diploma students

SAMIA SCHOLARSHIP FUND

4.0 SAMIA SCHOLARSHIP FUND

HESLB is responsible for managing the Samia Scholarship Fund, a program designed to support high-performing students pursuing STEM programmes in higher learning institutions. The scholarship is merit-based and targets academically outstanding candidates.

The scholarship is awarded with strict academic conditions, including maintaining a minimum Grade Point Average (GPA) of **3.8** throughout their studies. Failure to meet this requirement results in withdrawal of the scholarship, after which the student may apply for a HESLB loan to continue with their studies.

In the **2025/26** academic year, Samia scholarship beneficiaries raised to **936** from **647** in **2024/25**, representing a **45% growth.** This increase reflects the government's commitments to recognize and award high-performing students while increasing experts in STEM courses.

Furthermore, the programme financed **66** continuing master's degree students pursuing STEM programs, with an allocation of **TZS 1 billion**. This initiative is being implemented as a pilot programme, specifically targeting applicants pursuing postgraduate studies at Nelson Mandela African Institution of Science and Technology, with the aim of informing potential scale-up in subsequent academic years.

Table 4: Trend of Samia Scholarship Beneficiaries

ACADEMIC YEAR	CATEGORY	STUDENTS ALLOCATED					
		FRESHERS	CONT	MALE	FEMALE	TOTAL	AMOUNT GRANTED (TZS Billions)
2025/26	Bachelor Degree	936	852	1175	613	1788	9.50
2025/26	Master Degree	-	66	24	42	66	1.00
2024/25	Bachelor Degree	647	675	822	500	1322	6.70
2024/25	Master Degree	80	-	50	30	80	6.20
2023/24	Bachelor Degree	918	310	756	472	1228	6.40
2022/23	Bachelor Degree	636	NA	374	262	636	3.0

NOTE: NA- No data since it was first year of the program

4.1 LESSON LEARNT

Following four (4) years of the programme's implementation, several insights and areas for further improvements have been identified:

4.1.1 Absence of structured post-graduation engagement.

After graduation, there are no structured initiatives to harness the skills, expertise and potential contributions of these graduates to national development. As a result, the programme's long-term impact is not fully optimized.

Moving forward, HESLB will engage the Ministry of Education, Science and Technology (MoEST) and other relevant stakeholders to advocate for the establishment of structured post-scholarship engagement mechanisms. These may include graduate tracking systems, placements in internship, innovation platforms, and targeted national service or industry engagement programmes for STEM graduates.

4.1.2 The programme is strictly merit-based;

As a result, students from vulnerable and marginalized groups are not adequately considered, despite facing significant barriers in accessing education finance.

HESLB will focus on strengthening strategic engagement and coordination with stakeholder through policy dialogue and advocacy, efforts will be directed toward promoting a more inclusive scholarship framework that considers vulnerable and marginalized groups.

4.1.3 The scholarship focuses exclusively on STEM-related programmes,

To address this gap, HESLB may consider the need to broaden the scholarship programme. According to labour market survey, there is a critical skill gap in other few programmes beyond STEM.

4.1.4 Limited funding source

HESLB will collaborate with relevant institutions, development partners, and the private sector to diversify funding sources.

4.1.5 Dropout from the programme.

Some students fail to meet programme requirement, leading to discontinuation from the programme. To address this, HESLB will continue to strengthen academic support systems, mentorship programmes, and regular performance monitoring to help students maintain the required academic standards. To ensure continuity in education for Samia Dropout beneficiaries, HESLB allows students to apply loans to complete their studies.

PROCESSING OF LOAN APPEALS

5.0 PROCESSING OF LOAN APPEALS

The loan appeal process provides applicants with an opportunity to request for the reassessment of their application based on specific reasons including submission of additional information or supporting documents where their circumstances have changed after the initial application. This may include situations such as the death of a parent, disability, imprisonment of parents, or any other change that significantly affects the applicant's financial situation.

Appeals are submitted online and are reviewed to determine whether the new information provided justifies reconsideration of the applicant's financial need status. During the review process, HESLB verifies all documents and information submitted to ensure that only genuine and deserving cases are considered. In academic year 2025/26 the appeal window was opened from **10th November to 17th November, 2025** whereby **48,484** appeals were received for further assessment.

A re-assessment of applicants' financial need was then conducted (means testing) to establish the level of vulnerability and the extent of support required. Appellants with major changes in their socio-economic circumstances after the initial application process were successful. Based on the assessments **TZS 24.4 billion** were awarded to **7,303 successful appellants.**

The appeal process highlighted the need for continued awareness and sensitization among applicants with emphasis on the purpose and requirements of the appeal window. HESLB will continue to strengthening awareness campaigns prior to the application period to enhance applicants' understanding of eligibility criteria, required supporting documents, the importance of submitting complete and accurate information at the initial stage, and the rationale for the appeal window.

FINANCING OF VULNERABLE STUDENTS

6.0 FINANCING OF STUDENTS FROM VULNERABLE BACKGROUND

HESLB continued to promote equitable access to higher education by prioritizing loan allocation to applicants from vulnerable backgrounds, including orphans and students with; special needs, imprisoned parents, TASAF membership and previous financing from Corporate Sponsors. During the year, a total of 29,349vulnerable students benefited from HESLB financing.

The five-year trend shows a continued increase in the number of loan beneficiaries from vulnerable groups, demonstrating HESLB's sustained commitment to expanding inclusive access to higher education.
Table 5: Trend of beneficiaries from vulnerable background

Table 5: Allocation of funds to students

Year	Orphans	Disability	TASAF	Orphanage Centre	Sponsored	Total
2025/2026	18,634	3,318	2,916	349	4,132	29,349
2024/2025	19,065	4,064	3,867	275	7,891	35,162
2023/2024	15,447	1,682	2,256	N/A	6,156	25,541
2022/2023	12,944	1,085	2,752	N/A	5,571	22,352
2021/2022	11,459	363	957	N/A	2223	12,779

Note: N/A indicate the years where applicants from orphanage centres were not prioritised.

6.1.1 Special needs students

HESLB recognizes the significant economic challenges faced by loan applicants under the special needs category and therefore prioritizes them through allocation of loans at a higher percentage to ensure their needs are adequately identified and accommodated. To identify them, HESLB rely on verification done by DMOs and RMOs.

6.1.2 Orphans

Applicants who have lost one or both parents and those raised in orphanage centers are prioritized during the assessment process due to their increased vulnerability and limited family support systems. HESLB requires supporting documentation such as death certificates or confirmation from registered orphanage centers to verify orphan status. This intervention supports national efforts to protect vulnerable children and promote equal access to higher education opportunities.

6.1.3 Low-income families

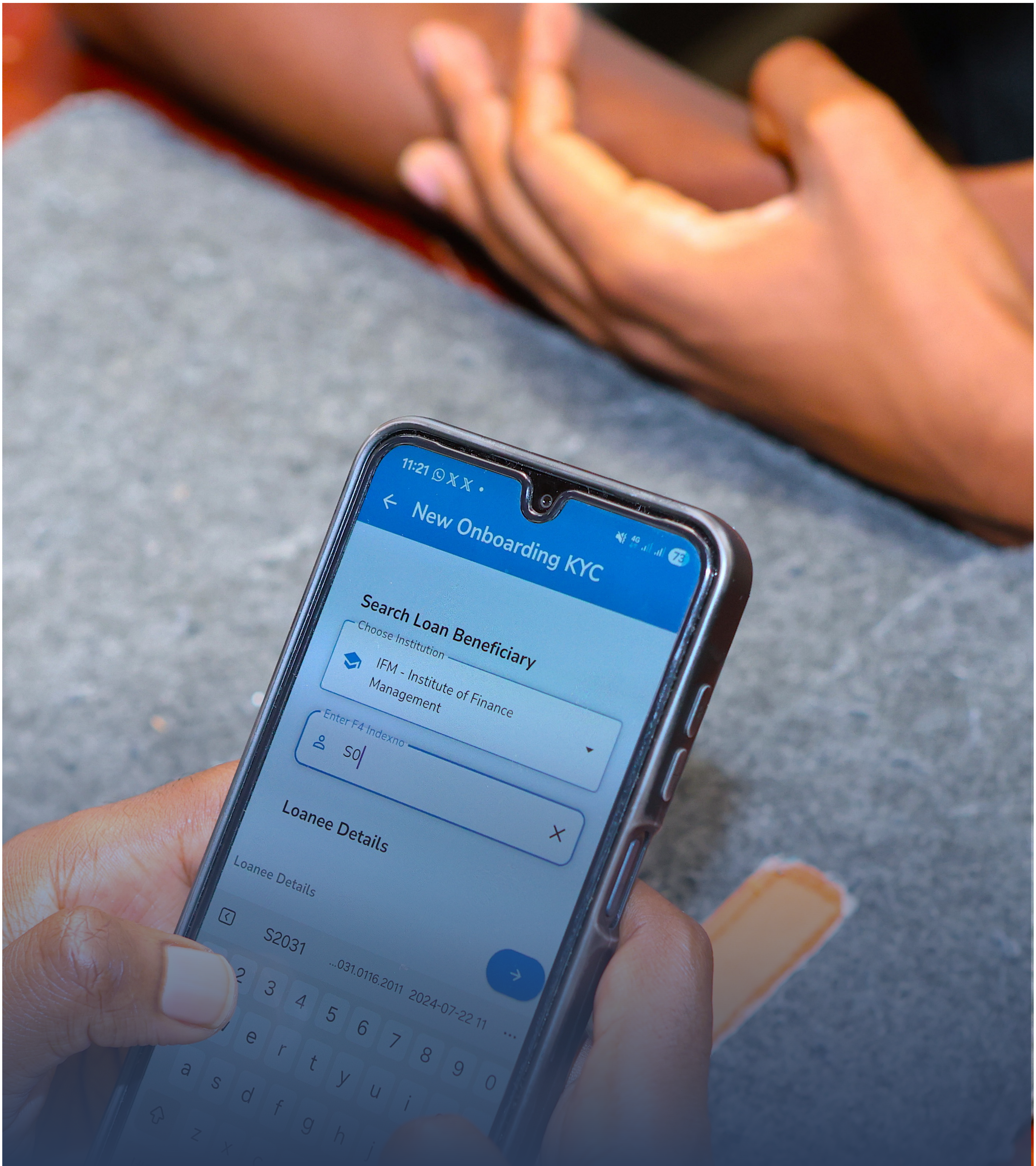
HESLB places significant emphasis on supporting students from low-income families identified through the Tanzania Social Action Fund (TASAF). Students whose families are beneficiaries of TASAF social protection programs are recognized as economically disadvantaged hence given priority consideration during loan allocation. HESLB confirm applicants' socio-economic status using TASAF membership number. This initiative ensures that students from poor households are not denied access to higher education due to financial constraints and contributes to broader national poverty reduction strategies.

6.1.4 Sponsorships

HESLB extends support to students who were sponsored during their secondary school and college education by governments institutions, charitable organizations, religious institutions, foundations, or development partners. Such sponsorship history is considered an indicator of financial vulnerability, as these students often originate from disadvantaged backgrounds that required external educational support from an early stage
.

6.1.5 Imprisoned Parents

HESLB recognizes that imprisonment of a parent significantly affects household income, family stability, and the ability of students to finance higher education. Under this initiative, students are required to submit an introduction letter from the ministry of home affairs for Tanzania Mainland and President's Office-Regional Administration, Local Government and Special Departments for Zanzibar. Once verified, such applicants are given special consideration during loan assessment and allocation.



DISBURSEMENT OF LOANS AND SCHOLARSHIPS

7.0 DISBURSEMENT OF LOANS AND SCHOLARSHIPS

7.1 OVERVIEW

During the 2025/26 financial year, HESLB continued to use an integrated and automated system for processing and disbursing loans and scholarships. The system supported timely verification of student information, accurate processing of payments, and faster transfer of funds to institutions and beneficiaries. The continued integration with the Treasury and financial institutions helped to reduce delays, minimize errors, and strengthen accountability in the management of public funds.

7.2 DISBURSEMENT PERFOMANCE

As part of the efforts to improve disbursement operations, HESLB continued to strengthen the use of digital systems in the management of loan and scholarship payments. Through the Digital Disbursement Solution (DiDiS), HESLB expanded digital processing of payments and confirmation of receipt of funds. The system supported timely verification of beneficiaries, improved payment processing, reduced transaction delays, and minimized payment-related errors.

In addition, HESLB strengthened the follow-up mechanism of disbursed funds to ensure that approved payments reach the intended beneficiaries correctly and on time. Through regular reconciliation and payment tracking of transactions with tertiary institutions and financial service providers. These measures helped to identify delayed transactions, reverse unacknowledged payments, and address transaction challenges within a short period of time.

Further, HESLB continued to improve customer service delivery by strengthening communication and support services for students. Through call centers, physical meetings and social media platforms, students were provided with clear guidance on loan disbursement procedures and proper use of digital platforms, including SIPA, and provide timely updates and feedbacks on disbursement related inquiries. These improvements contributed to reduction of complaints from beneficiaries and minimized cases of duplicate or incorrect payments during the academic year.

7.3 PRE-CONDITIONS FOR DISBURSEMENT

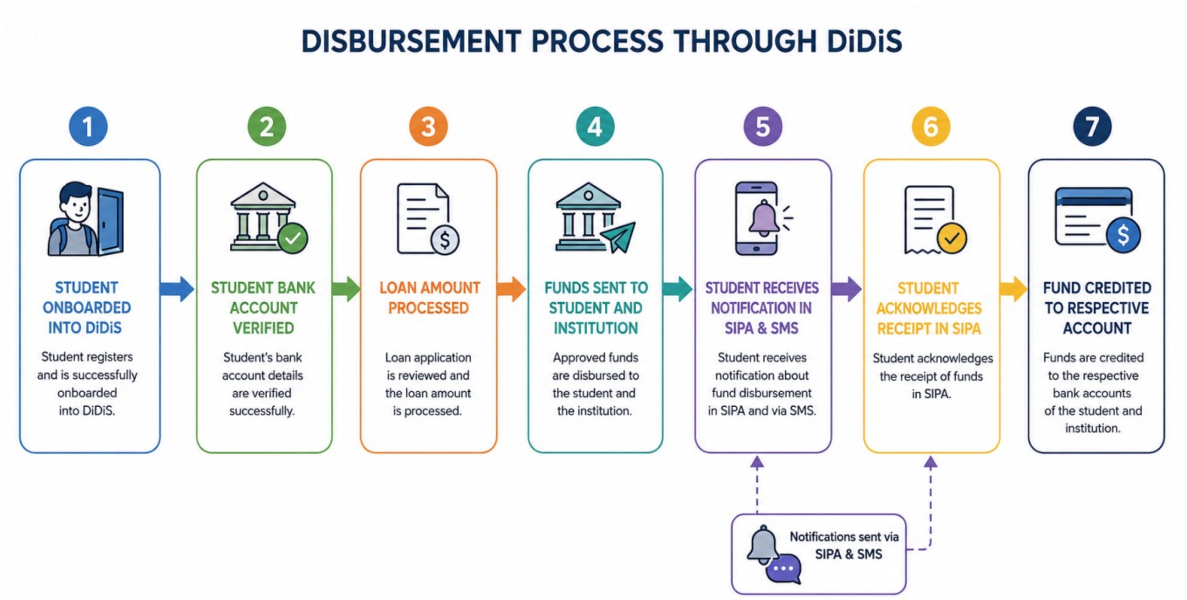
The disbursement of funds is guided by established payment preparation and verification procedures aimed at ensuring that funds are processed efficiently, accurately, and delivered to eligible beneficiaries on time. Pre-conditions for loan disbursement are outlined below;

First-year students, payments are processed upon confirmation of institutional registration, successful on-boarding into the DiDiS platform, and possession of an active bank account. This ensures that all new entrants are seamlessly integrated into the disbursement system.

For continuing students, disbursement relies upon verification of academic progress and active enrolment status. HESLB works closely with tertiary education institutions to confirm that beneficiaries meet academic and administrative requirements before funds are released.

To promote prudent financial management, student allowances are disbursed on a quarterly basis, while institutional payments are processed per semester. Tuition fees are paid directly to institutions upon receipt and verification of invoices, ensuring accountability and proper utilization of funds

Students acknowledge their loan funds through the SIPA system by using an OTP (one-time password) as a confirmation step to show that they have received and accepted the loan offer from HESLB. Unacknowledged funds for inactive beneficiaries are automatically reversed within 30 days safeguarding against misuse and enabling reallocation where necessary.



7.4 MONITORING AND COMPLIANCE

HESLB uses a combination of system-based controls and physical verifications to reconcile disbursement records, confirm beneficiaries' presence and ensure that payments reach the intended beneficiaries. Through information submitted by tertiary institutions concerning students' registration, bank details and academic performance reports, Management ensures that, active beneficiaries who pass their exams are timely paid in their respective bank accounts.

Despite using system-based verification, HESLB also conducts physical verification to confirm physical existence and attendance of loan beneficiaries. These verifications help to identify inactive beneficiaries, that are not eligible for payments and provides an opportunity to allocate unutilized funds to other needy and eligible students.

For effective monitoring, management will continue to strengthen collaboration with tertiary institutions to ensure timely sharing of student data, to address students' payment challenges and thus improving loan administration processes

7.5 DISBURSEMENT CHALLENGES AND IMPROVEMENTS INITIATIVES

Disbursement process review has provided valuable insights into key operational aspects that can be further enhanced to improve the efficiency and effectiveness of service delivery. These includes,

7.5.1 Name mismatches:

Some students experience name mismatches between those used during Form Four registration with those registered in their bank accounts. These inconsistencies often lead to delays in payment processing, as the system requires additional verification to confirm the correct identity of the beneficiary before funds can be released. To improve customer experience, HESLB will continue to enforce the use of standardized naming across all registration platforms, including Form Four records, institutional and bank account details. As well as guiding beneficiaries during registration to ensure their bank details exactly match official academic records;

7.5.2 Dormant bank accounts:

Some beneficiaries have dormant bank accounts, which prevents successful fund transfers and leads to delays in disbursement until account status issues are resolved or updated. To reduce this inconvenience, HESLB will continue to educate beneficiaries on the importance of maintaining active bank accounts for successful and timely disbursement of funds and encouraging students to regularly monitor and update their banking information;

7.5.3 Delayed registration in DiDiS:

Some beneficiaries delay registering in the DiDiS system resulting in delaying the disbursement process and affect the timely completion of payment procedures. Through digitalization and engagements with TEIs, HESLB will continue to strengthen enforcement of registration timelines in DiDiS by setting clear deadlines and automated reminders for students and institutions;

7.5.4 Delay in submission of Students' information:

Tertiary education Institutions sometimes delay to submit student information or submits incomplete student's information hence slows down disbursement, as payments cannot be processed until accurate and complete data is received. To ensure timely payment to students, HESLB will continue to strengthen enforcement of reporting timelines and data submission requirements, and enhance collaboration with institutions through regular follow-ups and capacity building.

COLABORATION WITH OTHER INSTITUTIONS

8.0 COLLABORATION WITH OTHER INSTITUTIONS

The implementation of the fee free basic education policy has significantly increased the number of students progressing to higher education, resulting in a sharp rise in demand for loans and scholarships. However, HESLB financing capacity has not grown at the same pace, leaving nearly 40% of applicants unserved or underserved. This growing demand has increased pressure on HESLB to collaborate with other potential stakeholders for alternative financing.

Further, due to gaps in digital skills and investments in ICT infrastructures, HESLB faces challenges in attaining i t s optimal level of service delivery. In response, management is collaborating with financial institutions, private companies, government institutions, and higher learning institutions to improve operational efficiency, and ensuring timely and effective service delivery

In addition, HESLB collaborate with various stakeholders to strengthen employability and entrepreneurial capacity among beneficiaries, enabling them to become more productive and financially independent. This approach not only supports socio-economic empowerment of graduates but also enhances awareness and commitment towards loan repayment, thereby contributing to sustainability of the loan scheme.

Table 6: COLLABORATION PARTNERS

SN	INSTITUTION	REASON FOR ENGEGEMENT	VALUE CREATED
1	NCAA	HESLB with NCAA has signed a memorandum of understanding to provide tertiary education financing to students residing in Ngorongoro Conservation Area.	This partnership will help HESLB expand access to tertiary education for students from disadvantaged communities within the Ngorongoro Conservation Area. It will also increase the number of beneficiaries, reduce pressure on HESLB's own financing resources, and expand its source of financing.

2	Compassion International Tanzania	HESLB and Compassion Tanzania have entered into agreement to collaborate mainly in identifying and supporting students from vulnerable backgrounds, including orphans, students with special needs, and those from poor households who were previously funded by CIT.	This collaboration will also facilitate mobilizing alternative sources of financing to expand access to loans and grants for needy students in tertiary education.
3	CRDB BANK Foundation and Basil Link Company	HESLB, CRDB Bank Foundation and Basil Link Co Ltd jointly implement a programme aiming at leveraging on experience and technology to empower HESLB loan beneficiaries, by providing affordable access to laptops, digital literacy training, entrepreneur skills and employability.	This will enhance their learning, improve job opportunities, promote self-employment, and increase their contribution to economic development.
4	Tanzania Postal Co-Operation	Given that HESLB services are largely automated while internet accessibility remains limited in some parts of the country, HESLB and TPC signed a Memorandum of Understanding (MoU) aimed at complementing access to internet services for applicants and beneficiaries. Through this MoU, TPC staff will also be provided with training to enable them to effectively support applicants and beneficiaries in accessing HESLB services.	The partnership will improve access to HESLB online services by leveraging TPC's nationwide network, particularly in areas with limited internet connectivity. It will also enhance customer support by equipping TPC staff with the skills needed to assist applicants and beneficiaries in accessing HESLB services efficiently.
5	Adapt IT	HESLB and ADAPT IT have signed an MoU through which ADAPT IT will provide experience, technical skills, technology, and innovative solutions that, will harness HESLB's capacity in services delivery.	The partnership will enhance HESLB's service delivery by leveraging ADAPT IT's technical expertise, innovative solutions, and advanced technology. This will improve operational efficiency, strengthen digital transformation initiatives, and provide a better experience for applicants and beneficiaries.

STAKEHOLDER ENGAGEMENT

9.0 STAKEHOLDER ENGAGEMENT

Public and Private sector engagement continue to be a key pillar in improving service delivery within HESLB. It is through these collaborations, HESLB facilitate and promote students' financing. The following are our key stakeholders;

Table 7: LIST OF STAKEHOLDERS

7:

SN	INSTITUIONS	INSTITUTIONS' ROLE
1	The Ministry of Education, Science and Technology (MoEST).	Offers policy guidance, budget oversight, and strategic direction.
2	The Parliament of the United Republic of Tanzania.	The Education, Culture, and Sports Committee and the Public Accounts Committee provide legislative oversight by reviewing financial plans, performance outcomes, and reform proposals.
3	The Ministry of Finance	Ensures adequate liquidity, thereby enabling consistent and timely disbursement of funds to students.
4	The Zanzibar Higher Education Students' Loans Board (ZHESLB)	Supports harmonization between the Zanzibar and Mainland loan schemes.
5	Higher Education Institutions and Tertiary Colleges.	Through Loan Desks they provide support to students in handling queries, complaints and exchange of students' information relevant for service delivery.
6	TCU and NACTVET	Tertiary education regulators support verification of programmes and admission through data-sharing agreements.
7	NECTA	Supports HESLB verify the academic records of applicants for basic education.
8	RITA and ZCSRA	Support verification of birth and death certificates
9	TCRA	Support identification and verification of Physical Addressing of applicants, parents, and guardians
10	TASAF	Supports HESLB in verifying applicants from households that receive social support due to their socioeconomic status.
11	Commercial Banks.	CRDB and NMB Banks facilitate payments to students and academic institutions.
12	TAHLISO and ZHLIFE	Students' organizations that represent and advocate for interest of students, provide feedback for our services and linkage between students and HESLB.
13	NIDA	Verifies applicants' identity information including nationality.
14	Education Sponsors.	Provide information of applicants with previous financial support
16	RMOs and DMOs	Validates special needs status of applicants and their parents

KEY ACHIEVEMENTS, LESSONS LEARNT AND FUTURE PROSPECTS

10.0 KEY ACHIEVEMENTS, LESSONS LEARNT AND FUTURE PROSPECTS

Key Achievements

- HESLB allocated TZS 913.2 billion to support 289,932 students across diploma, undergraduate, postgraduate, and scholarship programmes.
- Supported 29,349 vulnerable students including orphans, students with disabilities, TASAF beneficiaries, and sponsored students.
- Registered 305 corporate sponsors and captured information for 6,850 sponsored students through the Education Sponsors Portal.
- Fully operationalized the Digital Disbursement Solution (DiDiS) for timely and transparent disbursement.
- Successfully integrated its database systems with NACTVET to enable real-time verification of students' information, thereby reducing loan processing delays.
- Conducted awareness campaign to 85 new loan officers to equip them with HESLB operations
- Disbursed funds to all students without switching across banks unlike previous years where parallel payment was not possible.

Lessons Learnt

- Loan demand continues to rise rapidly due to fee free basic education and demographic growth calling for diversifications of funding.
- Delays in submission of student data by institutions slow down verification and disbursement processes.
- Name mismatches between student's bank records and academic records continue to delay payments.
- Some students fail to acknowledge tuition payments on time despite automation of payment systems.
- Unequal ICT capacity among institutions affects timely information sharing and processing.
- The Samia Scholarship Programme lacks structured post-graduation engagement mechanisms.

Future Prospects

- Integrate HESLB systems with all Tertiary Education Institutions for real-time data sharing.
- Introduce mandatory use of National Identification Number (NIN) for applicants aged 18 years and above.
- Continue investing in awareness campaigns to improve understanding of application procedures and eligibility criteria.
- Expand partnerships with private sector institutions and development partners to mobilize alternative financial resources.
- Strengthen digital transformation and ICT integration to improve operational efficiency and service delivery.
- Enhance support systems for vulnerable and marginalized students to improve inclusive access to higher education financing.

STUDENT TESTIMONIALS

Real stories of hope, resilience, and transformation through support provided by HESLB.

Esther Aloyce Tarimo

Bachelor Degree Student – College of bussiness education

“In 2023, financial challenges forced me to drop from my studies because I could no longer afford tuition and other college expenses. Through sup-port from HESLB, I was able to return to college and continue my studies with renewed hope and peace of mind. The loan support has allowed me to focus fully on my studies and future goals.”

Joseph Mwakabelele

Diploma Student – Lugarawa Health Training Institute

“After losing my father, who was the sole bread-winner of our family, continuing with ed-ucation became almost impossible. Receiving fi-nancial support from HESLB completely changed my sit-uation. Today, I am pursuing a Diploma in Medical Laboratory Science and working towards building a better future for myself and my family.”

Laila Salumu Ally

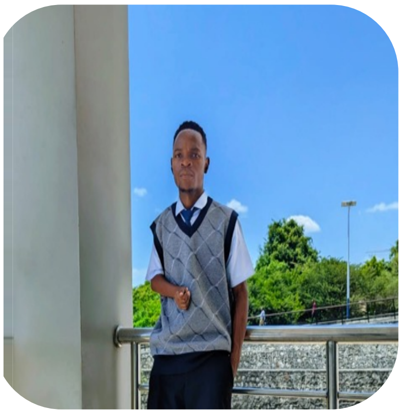
Bachelor of Science in Human Nutrition – Sokoine University of Agriculture

“Coming from a family that depends entirely on small-scale farming, pursuing university edu-ca-tion was a major challenge due to financial lim-itations. Being selected as a Samia scholarship beneficiary opens unlimited opportunities for my career goals.”

Daudi E. Kitomo

PhD Business Administration Student – Moshi Co-operative University

"The financial support provided through HESLB has enabled me to cover tuition fees and conduct my doctoral research with focus and academic depth. This support is an important investment that will allow me to contribute to national development through my professional skills."



Alfred Maxselino Mkinga

First Year Student – University of Dar es Salaam

"Before joining university, I relied on casual jobs and self-employment activities to support my education. Through HESLB support, I am now able to continue my studies and support my family while pursuing my dreams."

Baraka Festo Mahongo

Diploma in Oil and Gas Engineering – Arusha Technical College

"Becoming an engineer has always been my dream despite growing up in a low-income family. Through financial support from HESLB, I have been able to pursue my studies with focus and de-termination."

Revocatus Festo Manyema

Bachelor of Arts in Education – University of Dar es Salaam

"Support from HESLB became a major source of hope in my academic journey and enabled me to continue pursuing my education without giving up on my dreams. I am determined to become a teacher who will positively impact society."

Boaz Peter Mashambo

Master’s Student, Nelson Mandela African Institution of Science and Technology

“Pursuing my Master’s degree was challenging due to financial difficulties facing my family. This support is not only transforming individual lives but also empowering Tanzanian youth to become future professionals, innovators, and leaders. I sincerely appreciate HESLB for investing in my dreams and the future of our nation.”

Robert Mayengo Bilago

Graduate, Zanzibar University

“Through the support of Higher Education Students’ Loans Board, I have completed both my Bachelor’s and Master’s degrees. Today, I proudly serve as a Senior Administrative Officer at Zanzibar University and have started repaying the loan so that other young people can also achieve their dreams. I sincerely thank HESLB for shaping my future and empowering Tanzanian youth.”

SUMAIYA SALUM ALLY

Bachelor of Information Technology Application and Management - SUZA

“Coming from a low-income family, I faced many challenges in pursuing higher education despite performing well in school. Through HESLB loan, I can manage to pay tuition fees and continue with my studies in information technology and software development. More than financial support, HESLB gave me hope, a future, and the chance to keep my dreams alive.”

Appendix number 1

List of Financed Diploma Programmes	
Health and Allied Sciences	
1	Diploma in Clinical Dentistry
2	Diploma in Diagnostic Radiography
3	Diploma in Occupational Therapy
4	Diploma in Physiotherapy
5	Diploma in Electrical and Biomedical Engineering
6	Diploma in Environmental Health Sciences
7	Diploma in Health Records Information Technology
8	Diploma in Medical Laboratory Sciences
9	Diploma in Clinical Optometry
10	Diploma in Clinical Nutrition
11	Higher Diploma in Mental Health Nursing
Transport and Logistics	
1	Diploma in Aircraft Mechanics
2	Diploma in Shipbuilding and Repair
3	Diploma in Railway Construction and Maintenance
4	Diploma in Global Logistics and Supply Chain Management
5	Diploma in Marine Transport and Nautical Science
6	Diploma in Shipping and Logistic Management
7	Diploma in Transport and Supply Chain Management
8	Diploma in Naval Architecture and Offshore Engineering
9	Diploma in Mechanical and Marine Engineering
10	Diploma in Locomotive Engineering in Diesel Electrical

11	Diploma in Shipping and Port Operation Management
12	Diploma in Marine Engineering
13	Diploma in Shipping and Port Logistic Operations
Energy Engineering, Minerals and Earth Sciences	
1	Diploma in Renewable Energy Technology (Hydro, Wind, Solar)
2	Diploma in Pipeline
3	Diploma in Oil and Gas Engineering
4	Diploma in Oil and Gas Engineering Technology
5	Diploma in Environmental Engineering and Management
6	Diploma in Lapidary and Jewellery
7	Diploma in Mineral Processing
8	Diploma in Geology and Mineral Exploration
9	Diploma in Petroleum Geosciences and Exploration
10	Diploma in Land and Mine Surveying
11	Diploma in Metallurgy and Mineral Processing Engineering
12	Diploma in Mining Engineering
13	Diploma in Electrical and Hydropower Engineering
14	Diploma in Hydrogeology and Water Well Drilling
15	Diploma in Hydrology and Meteorology
16	Diploma in Electrical and Wind Energy Systems Engineering
17	Diploma in Electrical and Solar Pv Systems Engineering
18	Diploma in Electrical and Renewable Energy Engineering
19	Diploma in Civil and Irrigation Engineering

20	Diploma in Biomedical Equipment Engineering
21	Diploma in Biotechnology
22	Diploma in Mineral Processing Engineering
23	Diploma in Telecommunication and Railway Signaling Engineering
24	Diploma in Land Management, Valuation and Registration
25	Diploma in Land Survey and Mapping
26	Diploma in Mechanical and Bio-Energy Engineering
27	Diploma in Mechanical Engineering with Oil and Gas
28	Diploma in Operation and Maintenance of Water Systems Engineering
29	Diploma in Petroleum Geology
30	Diploma in Water Supply and Sanitation Engineering
31	Diploma in Water Supply Engineering
32	Diploma in Quantity Surveying For Water And Sanitation
33	Diploma in Water Quality and Laboratory Technology
34	Diploma in Urban and Regional Planning
35	Diploma in Electrical and Electronics Engineering
36	Diploma in Gem and Jewellery Technology
37	Diploma in Exploration and Mining Geology
38	Diploma in Community Development for Water And Sanitation
39	Diploma in Electrical Engineering
40	Diploma in Auto Electrical and Electronic Engineering
Agriculture and Livestock	
1	Diploma in Leather Technology
2	Diploma in Food Technology and Human Nutrition
3	Diploma in Sugarcane Production Technology
4	Diploma in Sugar Production Technology

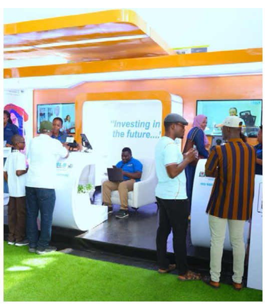
5	Diploma in Veterinary Laboratory Technology
6	Diploma in Horticulture
7	Diploma in Irrigation Engineering and Agro Mechanization
8	Diploma in Agriculture Technology
9	Diploma in Seed Technology
10	Diploma in Naval Architecture and Offshore Engineering
11	Diploma in Agricultural Land Use Planning and Management
12	Diploma in Agriculture and Natural Resource Management
13	Diploma in Agriculture Production
14	Diploma in Animal Health and Production
15	Diploma in Aquaculture Technology
16	Diploma in Aquatic Product Processing
17	Diploma in Beekeeping
18	Diploma in Crop Production
19	Diploma in Food and Beverages
20	Diploma in Food and Beverage Operations
21	Diploma in Food and Beverage Services and Sales
22	Diploma in Food Production and Human Nutrition
23	Diploma in Food Science and Technology
24	Diploma in Food, Beverage Production and Services
25	Diploma in Forest Industries Technology

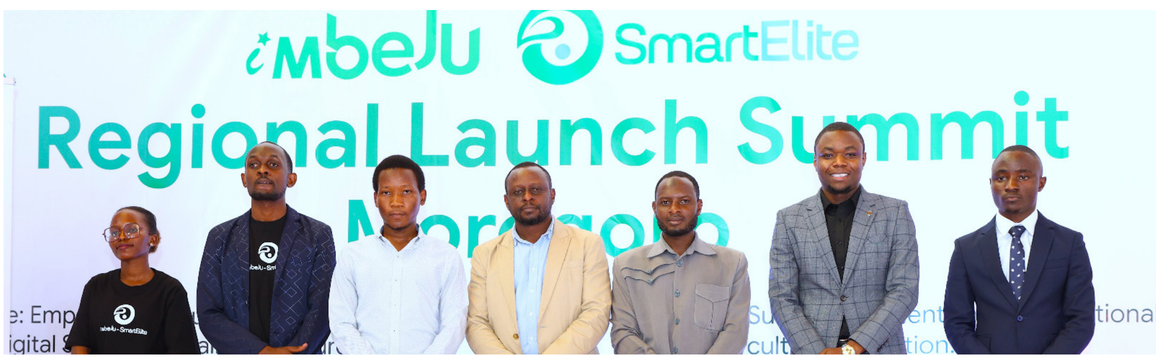
26	Diploma in Forestry
27	Diploma in Master Fisherman
28	Diploma in General Agriculture

Information and Communication Technology.

1	Cyber Security and Digital Forensic
2	Multimedia and Animation Technology
3	Multimedia and Film Technology
4	Diploma in Instrumentation Engineering
5	Diploma in Electronics and Telecommunication Engineering

Photo Gallery






HESLB
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