

Management Policy of Higher Education Loan Program (HELP)

October 2012



Moanoghar

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The Moanogharians

(An Association of the Alumnae of Moanoghar)
Reg. No: Ranga- 137/2001, Date: 09/01/2001
Moanoghar, Rangapani, Rangamati
Rangamati Hill District, Bangladesh

Background:

1.0. Chittagong Hill Tracts; social, economic and political context

The region of Chittagong Hill Tracts (CHT), situated at the south-eastern corner of Bangladesh and bordering with India and Myanmar, is majority inhabited by a number of small indigenous ethnic groups. There are 15 in total at present out of which 11 are considered indigenous as per the CHT Peace Accord signed in December 1997.

The topography of the region is hilly and mountainous with most part still inaccessible by road. The region witnessed a prolonged period of unrest beginning from mid-1970s over the questions of regional autonomy, safeguards for the identity of the region's indigenous groups and balanced socio-economic development. The conflicts caused large-scale dislocation of the inhabitants and severely disrupted socio-economic fabrics. The Peace Accord of 1997 saw surrender of arms by the insurgents and other peace building initiatives. However, the region continues to remain bogged down in sporadic bouts of conflicts and often with fatal casualties.

The region is one of the poorest in Bangladesh. Literacy rate is low and the primary school drop-out rate is one of the highest in the country. Female illiteracy is even higher. There are fewer schools in the remote and inaccessible parts and where there are, they are largely non-functional owing to lack of teachers and requisite logistics and infrastructure. The scenario at higher and tertiary level is even more abysmal and with great differences from one indigenous group to another. Other development indicators are equally pitiful. The per capita income is one of the lowest in the country and for the indigenous minorities, they earn on an average 30 percent less than their Bengalee peers.

2.0. About Moanoghar and its Loan Program for Higher/Tertiary Level Education.

Moanoghar was established in 1974 in Rangapani at the outskirts of Rangamati, by a group of socially committed Buddhist monks with the objectives of providing care and education to the destitute and orphan children belonging to the various indigenous ethnic minorities in the region of Chittagong Hill Tracts. The institution gradually expanded with the support of the communities, donors and well-wishers and currently, is the largest children's charity in the Chittagong Hill Tracts.

Currently, about 1400 children attend the Moanoghar School out of which about half are residential. The children come from across the region and as many as 11 indigenous groups. They are provided either free or highly subsidized education.

In mid-1980s, Moanoghar launched a Higher Education Loan Program (HELP) to provide students with loans to pursue tertiary level studies in universities or technical institutes. The initiative proved highly successful; an estimated 500 students completed higher education under this scheme who are now all professionally established both at home and abroad.

The initiative, however, is stopped since the last few years with Moanoghar facing severe financial crisis. This was resumed in 2011 with the contributions collected from the former students who earlier received support under the scheme. As part of the initiative, a number of students are already provided stipends for studies in college in Dhaka and Rangamati, and also loans for tertiary level studies. Further, it is also decided that external donations – both from home and abroad - will also be sought to scale up the initiative.

With the socio-economically marginalized situation of the CHT's minority indigenous population, the programme is considered very important. Access to higher and quality education is one of the ways for the future generation to overcome the marginalized situation of their predecessors. It is only with good education that they can earn a decent livelihood and in turn, make contribution to the community.

Past experience by Moanoghar tells that there is huge demand for financial support (loan, grants, stipends, scholarships, etc) for tertiary level education among the indigenous minority students. Most do not have financial means to pursue such education as their families are poor and there are no other alternative sources for financial support. Consequently, every year, scores of students from the indigenous communities are forced to stop their studies.

The Moanoghar HELP initiative is conceived to respond to this urgent need of the young generation of the indigenous communities in the CHT. It aspires to provide support to the future generation of the ethnic minority students from the region to pursue tertiary level studies, to build their life and to offer them an opportunity to serve the community afterward.

About the latter point, the Moanoghar itself provides an encouraging example. The modest start of the HELP at present has been possible by the voluntary contributions of the former students (Moanogharians). A vast majority has come forward to support the programme. But above all, it is the former students who have taken on their shoulder to run the very institution – Moanoghar – itself with their voluntary contributions and time since the last few years when it was on verge of collapse following a severe financial crisis. Finally, a vast majority of the former HELP beneficiaries are now recognized leaders of the indigenous communities of the CHT and are established in various professional fields. Without the HELP, it could have been hardly possible.

The present Policy as detailed hereunder is chalked out to manage the initiative with overall support from the Moanogharians.

3.0. Objectives

The initiative is conceived with the following objectives;

- I. To provide loans for higher/tertiary level education to the poor and meritorious students from indigenous minority communities of the CHT
- II. To promote higher learning among the young generation of CHT indigenous peoples.
- III. To support tertiary level education among the young women and young people from the smaller indigenous groups of the CHT

The HELP will be administered by the following rules as detailed below:

4.0. Binding conditions

- A. The support is EXCLUSIVELY provided as loan to the recipient. The recipient must REFUND the total amount in monthly installment after his/her studies and when she/he enters into employment. The size of the installment will be decided jointly by the Moanoghar authorities, in consultation with the Moanogharians, on the basis of the recipient's monthly income.
- B. The loan, in principle, is interest free. However, a small service fee may be charged at the discretion of Moanoghar management. But, in any circumstances, such service fee shall not exceed 4% on the accumulated loan amount.
- C. Candidates who fail in any academic examination will not qualify for further loans. But she/he must refund the loan that she had already received.

- D. The recipient shall enter into binding legal agreement duly signed between the recipient and Moanoghar. A representative of the Moanogharians will co-sign as witness, in addition to a guarantor who is financially solvent and the guardian of the recipients – both as witness.
- E. The funds thus recovered as re-imburement of the loans will be recycled for further loans to the future recipients.

5.0. Scope

- A. The loan is primarily targeted for tertiary level education. However, only students studying in certain selective subjects, which are likely to providing meaningful employment, will qualify for receiving the loan. The subjects will be periodically revised by the Moanoghar and Moanogharians authorities. As of now, the subjects which qualify for application of the loan are provided in **Annex-II**.
- B. On exceptional basis, subjects in polytechnic institute and other technical areas will also qualify for receiving the loan. Such subjects are listed in the **Annex-II**.
- C. The amount of loan for each student will not exceed, save exceptional cases, Tk. 2000 (two thousands) per month. For details, please see **Annex-I**
- D. The loan can be granted for a period of 4 (four) consecutive academic years at undergraduate level, and 1 (one) year at masters Level. For Medical Colleges, BUET and other Engineering Universities, loan duration will be for maximum 5 (five) years. In all cases, the renewal of the loan each year will be subject to satisfactory academic result of the recipient. The duration of the loan against each subject is given in the **Annex-II**.
- E. The loan contracts with recipients will be terminated immediately after the final examinations of their courses.
- F. The cases of 'session jam', common in public education institutions in Bangladesh, will be judged on case by case basis for eventual extension.

6.0. Targeted Beneficiaries

- A. All Moanoghar residential students will qualify to apply for the loan.
- B. Subject to availability of fund, applications from meritorious non-residential students will also be considered.
- C. Candidates must have GPA 4.0 both at SSC and HSC for tertiary level education. For polytechnic level, they must have at least GPA 3.50. However, in the cases of girls and students from smaller indigenous groups, both scores could be relaxed.
- D. The students from poor financial background will be the primary target. In no case, the loan will be provided to students studying in private institutions/universities.
- E. In case of availability of fund and suitable candidates, the loan will be provided to at least 50 percent to girl students and candidates from the smaller indigenous groups. The latter category will mean candidates excluding the Chakma, Marma and Tripura communities.

7.0. Selection process

- A. Application will be invited from the candidates once or twice for each academic year.
- B. The advertisement will be circulated through proper media and other channels (e.g. bulletin board of different organizations) immediately after the results of SSC and HSC are published.
- C. A selection committee will be constituted for short-listing and selection of the loan recipients. The Committee will be composed of the following:
 - President/General Secretary or nominated representative from Moanoghar Executive Committee – 01 (one).
 - President/General Secretary of the Moanogharians Executive Committee or a nominated representative – 01 (one).

- Principal/or his nominated representative from Moanoghar Residential School – 01 (one).
 - Representatives from civil society organizations e.g. reputed educationist, development activists etc. - 01 (one).
- D. President/General Secretary or nominated representative from Moanoghar Executive Committee will chair in the Selection Committee meetings. Moanoghar will provide the necessary secretarial supports.
- E. The selection committee will short-list and interview the candidates and make final recommendations to the Moanoghar management. Based on its recommendations, the Moanoghar management, represented by its Director/Executive Director or other competent officer, will give the final approval for sanctioning loan.
- F. All minutes of the meeting shall be recorded and maintained properly, and be circulated among selection committee members and related authorities within 15 days of the meeting.
- G. The selection Committee will have the authority to formulate further guidelines for accomplishing the selection process.

8.0. Administration of the HELP Program

The HELP programme will be jointly managed by Moanoghar and Moanogharians. This will comprise fundraising and management with both playing specific roles to achieve the objectives of the HELP program. For this purpose, Moanoghar and the Moanogharians shall enter into a formal written agreement.

A. Role of the Moanogharians

- The Moanogharians shall raise funds from its members, well-wishers, philanthropists, individuals and various organizations at home and abroad;
- All funds collected shall be deposited in the Moanogharians account dedicated for the HELP program.
- Based on the fund request from Moanoghar, the Moanogharians will transfer the money to Moanoghar on quarterly basis or at a mutually agreed time.
- The Moanogharians shall have the right to monitor the progress of studies of the loan recipients.
- The Moanogharians shall provide necessary technical and other support to Moanoghar as and when necessary.

B. Role of Moanoghar

- Moanoghar will also separately raise funds for the programme. However, in all cases, Moanoghar and Moanogharians will closely coordinate on the operational and policy issues.
- Moanoghar shall serve as secretariat for the management of HELP. All relevant records shall be kept/maintained at Moanoghar.
- Moanoghar shall produce and submit quarterly progress report (narrative and financial) to all the donors, including the Moanogharians. The Executive Director shall make sure that the progress report is prepared and submitted to the donors in due time.
- Moanoghar shall appoint/assign a staff for the management of HELP program. S/he shall closely monitor the academic performances of the students and serve as the 'link person' between the loan recipient students and Moanoghar. He/she shall produce regular reports on the program on quarterly basis.

C. Bank Account operation

- Moanoghar shall open a specific account in any scheduled bank of Bangladesh exclusively for the purpose of this HELP program. Funds for no other purpose shall be deposited in this account.
- This account shall be operated as per the financial rules of Moanoghar. The Executive Director shall provide necessary bank account information of the HELP program to the Moanogharians and other donors.
- The Moanogharians shall also maintain separate bank accounts for the purpose of the programme. Funds from its donors will be kept in this account and will be transferred to the main account maintained by Moanoghar (as mentioned above) based on an established schedule
- All loans to the recipients will be disbursed through account payee cheques or transferred directly in their personal account.

9.0. Miscellaneous points

- A. All the students under the program must spend a number of days/weeks in Moanoghar during the long vacation (at least 15 days). During their stay, they will have obligation to provide free tuition to the students of Moanoghar School.
- B. This document will be periodically revised by Moanoghar and the Moanogharians.
- C. The application and interpretation of this Policy shall remain vested to the discretion of the Moanoghar management and the Moanogharians EC.

Monthly Loan Amount by Location

Location of Institutions	Amount in BDT	Remarks
Three Hill Districts (Government colleges/institutions)	1000 (One thousand)	
Dhaka, Chittagong and other cities (BUET, Universities, Medical Colleges, and colleges)	1500 - 2000 (One thousand five hundred to two thousand)	The amount shall be determined in consultation with recipients and considering their needs.

Subjects under HELP
(the subjects are to be periodically reviewed)

Name of the subjects	Level	Maximum duration*
All subjects taught at BUET and other Engineering universities and BITs/colleges	Tertiary	5 years
All subjects in the Medical Colleges	Tertiary	5 years
All subjects in the polytechnic level institutes	After SSC	4 years
Diploma courses: Nursing, Textile, Ceramic, Design, Leather Technology, Pathological tests, Physiotherapy, automobiles, electrical, civil engineering, wood and carpentry, agriculture, fisheries, livestock		4 years
All subjects in the Science and Commerce Faculty in the public universities, and Agricultural Universities	Tertiary	4 years for Bachelor, and 1 year for Masters
English, Sociology, Journalism, Public Administration, International Relations, Law, Economics, Anthropology, Development Studies	Tertiary	4 years for Bachelor, and 1 year for Masters.