

ESP EDUCATION LOAN SCHEME GUIDELINE (2025)



**ESP SECRETARIAT
OFFICE OF THE PRIME MINISTER AND CABINET**

1. INTRODUCTION:	2
2. OBJECTIVE:	2
3. SCOPE:	2
4. JOINT TECHNICAL WORKING GROUP:	2
5. OPERATION DETAILS AND DISBURSEMENT PLAN:	3
6. ELIGIBILITY:	4
7. IMPLEMENTATION STRATEGY OF ESP EDUCATION LOAN SCHEME:	5
7.1. Application Deadlines	5
7.2. Review Process	5
7.3. Document Checklist	5
7.4. Application Process	6
7.5. Household Income Verification	6
7.6. Household & Relationship Verification	7
8. STANDARD OPERATING PROCEDURE (SOP):	7
9. MEMORANDUM OF UNDERSTANDING (MOU):	7
10. AMENDMENTS:	7
ANNEXURE	7

- I. ESP Education Loan Scheme Standard Operating Procedure
- II. Memorandum of Understanding

1. INTRODUCTION:

The Education and Training Loan Scheme was approved as one of the investment areas under the Economic Stimulus Programme (ESP) during the 12th Session of the Fourth Lhengye Zhungtshog held on May 4, 2024. Further, during the 25th ESP Steering Committee Meeting held on 30th May, 2025, the Committee approved the implementation of the education loan of Nu 600 million under the ESP fund.

The loan will be made accessible to eligible class XII students to study undergraduate courses (including diploma) within the country and India at 4% per annum. Similarly, those class XII students or Technical Vocational Education and Training (TVET) wishing to pursue vocational education programme in India will also have access to the ESP Education Loan Scheme.

2. OBJECTIVE:

The main objectives of providing the ESP Education Loan Scheme are:

- a. To mitigate youth unemployment by offering opportunities for youths to pursue further education or skills training instead of entering a labor market during periods of high unemployment.
- b. To develop a skilled workforce by enabling our youth to pursue TVET courses in India through accessible financing.

3. SCOPE:

The ESP Education Loan Scheme is open to Bhutanese citizens who are under 25 years of age at the time of application.

The ESP Education Loan Scheme will be implemented between July 2025 and June 2028, i.e. within the 13th FYP period.

4. JOINT TECHNICAL WORKING GROUP:

The guideline and Standard Operating Procedures (SoPs) has been developed in consultation through Joint Technical Working Group comprising members from the following stakeholders:

1. Department of School Education (DSE), and Education Staff Welfare Scheme (ESWS), Ministry of Education and Skills Development.
2. Department of Civil Registration and Census (DCRC), Ministry of Home Affairs.
3. Department of Revenue and Customs (DRC) and Department of Treasury and Accounts (DTA), Ministry of Finance.
4. Royal Monetary Authority.
5. Bank of Bhutan Limited.
6. Royal University of Bhutan.
7. Khesar Gyalpo University of Medical Sciences.
8. Royal Thimphu College.
9. Norbuling Rigter College
10. Y.T Nursing Academy.

5. OPERATION DETAILS AND DISBURSEMENT PLAN:

- 5.1. A total fund of Nu. 600 million has been allocated by the Government to implement the loan program over a four-year period commencing in July 2025.
- 5.2. An initial amount of Nu. 300 million shall be disbursed by the Ministry of Finance (MoF) to the Bank of Bhutan Limited (BoBL) upon the execution of a Memorandum of Understanding.
- 5.3. Tuition fees and living expenses will be disbursed directly to the respective colleges or institutes on a semester basis, wherever possible.
- 5.4. Living expenses can be up to 50% of the tuition fees.
- 5.5. As per the convenience of the student, living expenses can be disbursed to the student's account by the bank.
- 5.6. Disbursement of tuition fees and the living allowance will be contingent upon submission of progress reports by the colleges or institutes.
- 5.7. Progress report shall be submitted by RUB and KGUMSB to the Bank within 15 days of completion of each semester.

- 5.8. For those students studying in India, if in case the progress report could not be routed through the respective college, the students can submit directly to the Bank.
- 5.9. The proposed costing is based on an anticipated intake of 100 students per year over a four-year period (2025–2028). The actual amounts disbursed will vary depending on the institution and the duration of the course. Disbursements shall be made as outlined below.

Year	Nos. of Students	Amount (Nu.)
2025	100	150,000,000
2026	100	150,000,000
2027	100	150,000,000
2028	100	150,000,000
Total	400	600,000,000

- 5.10. The indicative disbursement schedule will be reviewed annually by the Joint Technical Working Group.

6. ELIGIBILITY:

- 6.1. Must be a Resident Bhutanese citizen.
- 6.2. Aged below 25 years at the time of application.
- 6.3. Class XII passed students with confirmed admission/offer letter/confirmation of enrollment – for Undergraduate degree in Bhutan and India, and TVET courses in India.
- 6.4. Undergraduate and TVET courses in India must be in the list of universities/colleges/institutes accredited by BQPCA.
- 6.5. Preference shall be given to Gyalsups.
- 6.6. Shall be full time courses to attend in-person.
- 6.7. Full scholarship recipients are ineligible.
- 6.8. Annual Household Taxable Income (Parents) below Nu. 500,000. For salaried parents verified through PIT (Total Adjusted Gross Income) and for business through BIT (Net Taxable Income).

6.9. The parent/sibling/relative shall serve as a guarantor.

7. IMPLEMENTATION STRATEGY OF ESP EDUCATION LOAN SCHEME:

The implementation strategy for the Education Loan Program is detailed with the application deadlines, review process, required documentation, application process, and verification mechanisms. The implementation strategy is developed to provide accessible financial assistance to students pursuing education, with a focus on efficiency and transparency through digital platforms and inter-agency collaboration.

7.1. **Application Deadlines:** The Education Loan Program will have two application cycles per year:

- i. June to July for fall semester**
- ii. January to February for spring semester**

This bi-annual schedule allows for flexibility and accommodates different academic calendars and enrollment periods.

7.2. Review Process

The Bank of Bhutan Limited (BoBL) will review all applications within 15 days from the date of receiving the application. The prioritization of applications will be based on the applicant's parents annual household income, with lower-income households receiving higher priority. This ensures that the program effectively targets those most in need of financial assistance.

In case of high turnover, the application will be processed on a first-come-first basis.

7.3. Document Checklist

Applicants must submit the following documents in hard copies or through the Digital Lending Platform:

- i. Online Application Form (Digital Lending Platform): A standardized online form to collect necessary applicant information.

- ii. Citizenship Identity Card of the applicant.
- iii. Citizenship Identity Cards of the applicant's parents or legal guardians.
- iv. Household Information (Family Tree)/ a Relationship Certificate, if the relationship cannot be established through the Household Information.
- v. Official admission or enrollment confirmation from colleges or institutes detailing tuition fee structure and living expense, if provided.
- vi. For registered taxpayers, the annual household income statement of parents must be generated from RAMIS. For non-registered individuals, DRC form attached to the application form must be verified by the respective Regional Revenue and Customs Office (RRCO).
- vii. Receipt or invoice indicating the fees structure to be covered by the loan, if it is not mentioned in the offer letter/confirmation of enrollment.
- viii. Certificate for applicants who have completed the Gyalsung program.

7.4. Application Process

The application process is designed to be streamlined and accessible:

- i. Applicants can submit all required documents through the designated Digital Lending Platform (online) or hard copies to any of the nearest branch offices.
- ii. For any guidance on completing the application process, the applicants can visit the nearest Branch office or contact customer care of BoBL.
- iii. Upon approval, the loan account will be opened in the student's name.

7.5. Household Income Verification

To ensure accurate assessment of household income, the verification process will be implemented in collaboration with the Department of Revenue & Customs (DRC), Ministry of Finance. If the applicant's parents or legal guardian is a registered taxpayer, parents/legal guardians submit an Income Statement to BOBL or the applicant can visit RRCOs to get the information.

7.6. Household & Relationship Verification

To verify household information and the relationship between the applicant and

their parents, the following process will be implemented in collaboration with the Department of Civil Registration and Census (DCRC), Ministry of Home Affairs:

- i. Household Information (HHI):
 - a. Available at DCRC, Dzongkhags, Thromdes, Dungkhags, Community Centers
 - b. Download via NDI app
- ii. Relationship Certificate:
 - a. Obtain from Dzongkhags, Thromdes, Dungkhags

8. STANDARD OPERATING PROCEDURE (SOP):

Internal SoP shall be developed by the BoBL and reviewed as and when required.

9. MEMORANDUM OF UNDERSTANDING (MOU):

MOU shall be signed between the Ministry of Finance and Bank of Bhutan Limited.

10. AMENDMENTS:

This Guideline “ESP Education Loan Scheme (2025)” shall be amended by the Joint Technical Working Group as and when required by the ESP Steering Committee.

ANNEXURE

- i. ESP Education Loan Standard Operating Procedure (SoP)
- ii. Memorandum of Understanding