**Council of Ministers Regulation No. 91/2003**  
Higer Education Cost-sharing Council of Ministers Regulation

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This regulation is issued by the Council of Ministers pursuant to Article 5 of the Definitions of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia Proclamation No. 4/1995 and the Higer Education Proclamation No. 351/2003.

1. **Short Title**

This Regulation may be cited as the “Higher Education Cost-Sharing Council of Ministers Regulation No. 91/2003”

2. **Definitions**

For the purposes of this Regulation:

1) “Ministry” and “Minister” means Ministry of Education and the Minister of Education, respectively.

2) “Institution” means a public higher learning institution in any region, in Addis Ababa or Dire Dawa offering a post-secondary education with a budget allocated from the Federal Government.
This Regulation shall apply to students that are newly admitted to an institution beginning from 2003/04 academic year, as well as to students in their second year or above training during the 2003/04 academic year.

3. Scope of Application

This Regulation shall apply to students that are newly admitted to an institution beginning from 2003/04 academic year, as well as to students in their second year or above training during the 2003/04 academic year.

4. Beneficiary’s Share and Mode of Application

1) All beneficiaries of public institutions of higher learning shall share full costs related to boarding and lodging and a minimum 15% of tuition related costs. The amount to be shared shall be calculated based on the cost to be incurred at each institution and programme of study and shall be revealed to the beneficiaries at the beginning of each academic year.

2) The beneficiary shall pursue his education after entering a written contract agreement with the respective institution for the future discharge of the amount of cost to be borne by him referred to under Sub-article (1) of this Article. This contract document is a legal document.

3) Any beneficiary who discontinues or completes his higher education or training upon the contractual commitment for future payment, in cash or in service, of his share of the cost in the form of graduate tax.

4) The cost of education and training shall be revised at least every three years. The Ministry shall enact directives to this effect.

5) Only an Ethiopian national is eligible for pursuing his higher education or training upon the contractual commitment for future payment, in cash or in service, of his share of the cost in the form of graduate tax.

5. Incentives

1) Up to 5% deduction of the payable cost shall be made for beneficiaries who pay every year the total cost determined either by themselves or by the support of organizations.

2) Up to 3% deduction of the payable cost shall be made for beneficiaries who pay the total cost determined within the first year of their graduation.
5. Completion and Repayment

5.1 In case of an employed beneficiary the amount owed shall, provided he entered a contract with the Ministry, be paid to the Federal Inland Revenue Authority within a maximum of one year after graduation, in the form of graduate tax of at least 10% of the monthly income of an employee; or amount owed deducted from the yearly income if self-employed.

5.2 In case a beneficiary is living abroad as a result of private business or foreign employment, payments due shall be collected as per provision of an additional directive to be issued by the Federal Inland Revenue Authority.

5.3 Pursuant to directives to be issued by the Ministry from time to time, a beneficiary who volunteered to be trained in certain fields as designated by the government provided that he enter into a contract with the government to work in all places of assignment after graduation for at least three times the time spent in the training.

6. Mode of Repayment of Shared Costs

6.1 The beneficiary shall start paying the amount within six months after graduation if earning income, or within a maximum of one year after graduation, in the form of graduate tax of at least 10% of the monthly income of an employee; or amount owed deducted from the yearly income if self-employed.

6.2 The total amount that a beneficiary is required to pay shall be subject to payment of service fee or interest, and the interest payable shall be determined pursuant to the deposit rate in use at the time of conclusion of the contract.

6.3 Completion of repayment of amount owed by beneficiaries shall, depending on the type and duration of program, not exceed 15 years.

6.4 A beneficiary who discontinues his education due to any reason shall be required to pay the amount required of him. However, in case the beneficiary discontinues education owing to national call of duty or service, the obligation to pay shall be waived.

6.5 In case of an employed beneficiary the amount owed shall be deducted from the monthly income of the beneficiary and transferred to the treasury by the employer. However, such deduction shall not exceed 1/3 of a monthly income without a prior consent of the beneficiary as per Article 8(1) (c) of this Regulation.

6.6 In case a beneficiary is living abroad as a result of private business or foreign employment, payments due shall be collected as per provision of an additional directives to be issued by the Federal Inland Revenue Authority.

7. Obligations of Employers

7.1 Any employer employing a beneficiary after the effective date of this Regulation shall have the following obligations:

(a) to request a copy of the contractual agreement entered between the beneficiary and the Institution and a written document specifying the amount to be deducted from a monthly salary.

(b) to forward to the Federal Inland Revenue Authority list of beneficiaries employed within a period of 3 months;

(c) to deduct, and transfer every month, the amount owed by the beneficiaries as per Article 8(1) (c) of this Regulation and the Income Tax Proclamation No. 286/2002,
8. Obligations of the Beneficiary

1) Without prejudice to provisions of Article 6(1) of this Regulation, a beneficiary employed by any employer has the following obligation:

(a) to inform the full address of his place of work and information pertaining to prior employment through the employer to the Federal Inland Revenue Authority;
(b) to start paying the amount required of him/her on monthly basis in the form of gradate tax;
(c) to submit the contract document entered as per Article 4(2) of this Regulation to the employer and assist the employer to withhold part of his/her monthly salary and pay to the Government every month. The monthly payment shall not be less than the sum stipulated in Article 6(1) of this Regulation.

2) A Beneficiary who violates any of the obligations under Sub-Article (1) of this Article and those under Article 6 of this Regulation shall be liable in accordance with the Income Tax Proclamation.

9. Cancellation of Payment Obligation

The unpaid part of the cost of a beneficiary who has been discharging his payment obligation shall be cancelled in the event of death or retirement of the beneficiary.

10. Powers and Duties of the Ministry

Without prejudice to other provisions in this Regulation, the Ministry shall have the following powers and duties:-

(a) to oversee and ensure the implementation of this Regulation
(b) to approve the amount apportioned by higher education institutions from the beneficiaries.
(c) to issue directives for the proper implementation of this Regulation.
(d) to issue, directives for the proper implementation of this Regulation.
(e) to issue detailed directives on the areas and modalities of the cost shared in ways other than monetary.

11. Powers and Duties of the Federal Inland Revenue Authority

Without prejudice to other provisions of this Regulation, the Authority shall have the following powers and duties:

(a) to notify each beneficiary and employer the total amount of payment to be made by the beneficiary together with the monthly payment;
(b) to follow up, supervise and collect the total amount of payment to be made by the beneficiary;
12. Powers & Duties of Institutions

Without prejudice to other provisions in this Regulation, institutions shall have the following powers and duties:

(a) to follow up the implementation of the cost sharing system;
(b) to notify the beneficiary, at the beginning of the academic year, the appropriate amount of cost the beneficiary has to share, and to keep record of all necessary data.
(c) to provide the beneficiary with documents stating the amounts that is to be paid by beneficiaries.

13. Effective Dates

This Regulation shall enter into force starting from the 12th day of September 2003.

Done at Addis Ababa, this 5th day of September 2003.

MELES ZENAWI

Prime Minister Of The Federal Democratic Republic of Ethiopia