

## Higher Education

### Higher Education for Societal and Economic Development

Although worldwide gross enrollment rates of tertiary education have almost reached 40 %, intra-country comparison shows an extremely disperse picture. According to the World Bank, in 2014 rates ranging from close to 90 % (United States of America) stand in contrast to their counterparts from Chad (3 %) or Ethiopia (3 %).

This disparity has negative implications for the poor countries, as higher education does not only provide the skillset required by labor markets but also the qualities necessary to boost key drivers of societal and economic development such as teaching, health care, entrepreneurship and engineering. Higher education is therefore perceived as an important form of investment in human capital at an individual level, which plays a vital role in sustainable and inclusive development approaches for society as a whole. It is for these reasons that higher education has been given growing attention on the agenda of the Sustainable Development Goals.

### Background

The increasing interest in higher education can be considered against the backdrop of its inclusion within the SDGs. While the Millennium Development Goals (MDGs) of the year 2000 mainly focused on primary education, the new Sustainable Development Goals (SDGs) are aiming at lifelong learning and explicitly refer to higher education. Consequently, many policy makers consider equal and affordable access to high-quality tertiary education as a contribution to various SDGs including health and gender, for example.

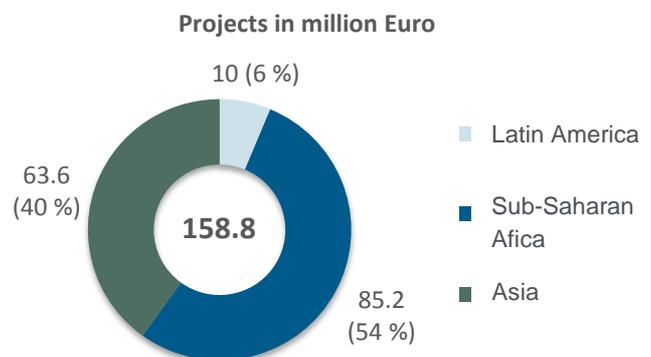
Indeed, this appears to be the fruit of the international

efforts undertaken in the sector of primary and secondary education in the past which, together with the still growing young population in less developed countries, have sparked demand for tertiary education. Public financing for higher education could not keep pace with this development and will need external support. The main challenge is to provide high-quality teaching and to facilitate access for a rising number of students while taking into account the scarce financial resources especially in low-income countries. In addition, governance aspects also have to be addressed, e.g. within the public/private mix of tertiary institutions.

Financing higher education in developing countries and emerging economies has become increasingly important for the German Federal Government and for KfW. After a period of around ten years with marginal KfW activity in this sector, 13 new projects have been implemented since 2009. GIZ and DAAD continue to be key actors and cooperation partners of KfW in the promotion of higher education abroad. In particular, the growing German involvement is due to the high numbers of unemployed youth and young people and the sustained need for societal and economic development in many countries. If young people do not find adequate job opportunities and lucrative career paths opened to

### Volume of the current higher education portfolio

Total volume: EUR 158.8 million (%)



Source: Own Data

them, social tensions are very likely to occur. In fact, this was one of the major causes of the “Arab Spring” in North Africa, mainly in Egypt. It is therefore both a moral obligation of developed countries and in their own interest to promote the development of higher education institutions and systems.

### Project approach

To meet the increasing demand, KfW Development Bank is financing the construction, expansion, and equipment of institutions of higher education in priority development areas. KfW also supports the management and the teaching staff as well as prospective students of these facilities by providing student credits and scholarships for both disadvantaged and talented candidates. Many of the supported institutions target specific sectors relevant for sustainable development and graduates are prepared to enter the respective professional careers in the public or, more frequently, the private sector.

Against this background KfW is financing, for example, an institute of the Pan African University created by the African Union (AU) focusing on water and energy science and located in Algeria. In Namibia, a department of wildlife management and ecotourism is funded at the University of Namibia to ensure the training of experts urgently required in the country. In this context it is extremely important that in the long run, these qualification measures do not only benefit the supported individuals but society as a whole.

Depending on a country's economic situation, KfW allocates loans and grants from the federal budget as well as own funds mobilised on the capital market. All in all, KfW is currently financing eleven projects, seven in Africa three in Asia and one in Latin America. The total volume of the higher education portfolio amounts to EUR 158.8 million, EUR 85.2 million of which is deployed in Africa and EUR 63.6 million in Asia. Commitments for higher education programmes are likely to increase even further in the future.

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Engineering students in Namibia. Source: KfW, photographer: Dr. Rolf Baur, UNAM

### Namibia – Extension of the UNAM Campus

In the framework of the 2030 Agenda and its national “Vision 2030”, Namibia is making an effort to further develop its domestic economy. A central factor is the modernisation of the country's ailing infrastructure and transportation systems. Recent estimates however suggest a substantial shortage of infrastructure experts and engineers and a lack of infrastructure in regions outside of the capital Windhoek as major obstacles.

This is why KfW Development Bank is supporting the construction of the Department of Civil and Environmental Engineering on the new Campus of the University of Namibia (UNAM) in Ongwediva. The project represents a significant expansion of the capacity for training engineers. It is especially targeting secondary school graduates, predominantly from northern Namibia and from neighboring SADC countries as well as the teaching staff of the engineering faculty. The new department is primarily intended to train engineers for the transport sector, but it is also expected to improve the learning conditions at the University in general.

The project will make a major contribution to strengthening engineering capacities in Namibia as well as the performance of Namibian partner institutions and the promotion of the country's economic and social development in general. Furthermore, the project will help reduce regional disparities between the central Windhoek region and the Northern regions of the country while promoting integration in the SADC region.