Higher education

Higher education for societal and economic development

Although worldwide the percentage of college-age students enrolled in tertiary education has almost reached 40%, an intra-country comparison shows an extremely disparate picture. In 2014 rates of about 90% in the United States of America contrasted starkly with rates in countries such as Chad or Ethiopia (3% each). Now, higher education does not just teach the skillset required by labour markets, but also boosts key drivers of societal and economic development of a country such as education, health care, entrepreneurship and technology. Higher education is therefore considered an important form of investment in human capital at an individual level, but also plays a vital role in sustainable and inclusive development for society as a whole. Therefore, higher education has been given increasing priority on the agenda of the Sustainable Development Goals (SDGs).

Context

The topic is receiving more attention now that it has been formulated as an SDG. While the Millennium Development Goals (MDGs) from the year 2000 mainly focused on primary education, the new Sustainable Development Goals (SDGs) prioritise lifelong learning and explicitly higher education. Consequently, many policy-makers consider equal and affordable access to high-quality tertiary education as a contribution to achieving a number of other SDGs including health and gender equality, for example.

In fact, this is probably the result of international efforts undertaken in primary and secondary education in the past which, together with the still growing young population in developing countries and emerging economies, have sparked demand for tertiary education. Public financing for higher education cannot keep pace with this development and will need external support. The main challenge is to provide high-quality teaching for a growing number of students while taking into account the scarce financial resources, primarily in the economically weaker countries.

Financing higher education in developing countries and emerging economies has become increasingly important for KfW on behalf of the German Federal Government. After a period of around ten years with a low level of KfW activity in this sector, 14 new projects have been launched since 2009. The Gesellschaft für Internationale Zusammenarbeit (GIZ) and the German Academic Exchange Service (DAAD) continue to be key actors and cooperation partners of KfW in promoting higher education abroad. In particular, the growing German involvement is due to the high numbers of unemployed young people and the sustained need for societal and economic development in many countries. If young people do not have attractive professional opportunities and career paths open to them, social tensions are very likely to occur. This was after all 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 concepts.

**The KfW development approach**

To meet the increasing demand, KfW Development Bank is financing the construction, expansion and equipping of institutions of higher education in priority development areas. KfW is also supporting the management and teaching staff as well as prospective students of these institutions by providing student loans and scholarships for disadvantaged and talented candidates. The various institutions are specialised in specific sectors relevant for sustainable development. Graduates are prepared for entry into 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 (PAU) focusing on water and energy science and climate change and located in Algeria. A department of wildlife management and ecotourism is being funded at the University of Namibia to ensure that experts urgently needed in the country are trained. In this context, it is extremely important that in the long run, these qualification measures not only benefit the supported individuals but society as a whole.

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**Namibia – Extension of the UNAM Campus**

In the framework of the 2030 Agenda and its national “Vision 2030” adopted by the government, Namibia is striving to further develop its domestic economy. A central factor is the modernisation of the country’s ailing infrastructure and transportation systems. Recent prognoses, however, see the huge 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 aims to significantly expand the available places for engineering students. It is especially targeting secondary school graduates, predominantly from northern Namibia and from neighbouring Southern African Development Community (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. The project will make a major contribution to strengthening the performance of Namibian partner institutions and promoting 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.