



UF NEWS

A Newsletter of The Universities Fund

Radical proposals to pull varsities out of financial muddle

Vice chancellors of local universities have made far-reaching recommendations aimed at aiding the institutions to recover from a financial turmoil that has pushed them into a Sh60.6 debt.

At a high-level meeting organised by Universities Fund in February 23-24, 2023, the more than 70 vice chancellors from public and private universities appealed to the government to immediately clear the pending bills to save the institutions from imminent collapse.

Among a raft of financial proposals agreed to among the executives attending the 1st Biennial Universities Funding Conference 2023 was the call to the Government to clear the pension bill that now stands at Sh19.6 billion through targeted instalments.

In their joint communiqué, the VCs asked the National Treasury and Planning Ministry to write off the pending Pay-As-You-Earn (PAYE) tax bill of Sh18 billion owed to the Kenya Revenue Authority.

"There should be provision of funds to facilitate rationalisation and restructuring of universities," the document says.

It added that a committee should be established "to come up with a strategic plan and research model."

The conference was held at Pridelnn Flamingo Beach Resort & Spa in Mombasa County from February 23-24 under the theme 'Universities for a Sustainable Future'.

Representatives from HELB, World Bank, National Treasury, KCB Group,

Media Council of Kenya, UNES and British Council attended the conference, the first of its kind in Kenya.

The conference proposed the increment in tuition fees from the current Sh16,000 to Sh48,000 per year to reflect evolving financial realities in the sector since the amount

has not been revised since 1989.

Technical University of Kenya Vice Chancellor Francis Aduol said student fees played a central role in funding of universities and should be looked into.

"We would like to work with University Funding Board to establish how the Differentiated Unit Cost (DUC) should work and how we should increase fees to Sh48,000. There is a component students should pay and component students should be supported (by Government)," Prof Aduol said.

The proposed increase in fees was recommended to come in force in September 2023, and only affect freshmen and women who sat their Kenya Certificate of Secondary Education in 2022.

The DUC is the formula utilised by the Universities Fund to allocate money to universities. In strategic efforts to help keep their heads above water, the VCs advised that Collective Bargaining Agreements (CBA) should be pegged on the affordable salary scales and be reviewed when there are sufficient resources to implement them.

In addition to quick settling of salary arrears, the VCs want CBA issues

to be handled by university councils rather than the Salary and Remuneration Commission.

"The Government should remit money to pay the 2017-2021 Collective Bargaining Agreements (CBA) in full including arrears amounting to Sh2.9 billion. No more CBAs until pending issues are resolved," the joint resolutions read.

The communiqué indicated that there should be proper allocation of the DUC to make sure the money government disburses to universities was commensurate to the number of students enrolled.

They emphasised that the government should fund new development projects to



Prof David Some, member, Presidential Working Party, makes his remarks during a panel discussion alongside Diana Mutisya (left), Board Trustee, Universities Fund; Monica Blagescu (centre), Head of Programmes, Higher Education, British Council; and Prof Isaiah Wakindiki, Vice Chancellor, KCA University

completion to minimise cases of stalled projects.

The VCs recommended the creation of an endowment fund, and the introduction of professional courses to shore up universities' income.

Other proposals included the sharing of infrastructure among universities to minimise cost, enhancing partnerships for research and reviewing of policies to remove bureaucracies in procurement processes.

The proposals have since been submitted to the Presidential Working Party on Education Reforms for review and further action.

Top Agency Charts Path for Adequate University Financing at Inaugural Conference



Education stakeholders participate in a plenary session during the First Biennial Universities Funding Conference 2023 at Pridelnn Flamingo Beach Resort & Spa in Mombasa County on February 23, 2023.

The Universities Fund has successfully held the First Biennial Universities Funding Conference in Mombasa to seek interventions for the funding crisis.

More than 200 delegates convened at Pridelnn Flamingo Beach Resort & Spa in Mombasa County from February 23-24 to chart out measures universities can utilise to boost their income as they grapple with a Sh60.6 billion debt.

The stakeholders included all vice chancellors from public and private universities and top officials from National Treasury, HELB, UNES, KUCCPS, CUE and Media Council of Kenya. Also present were representatives from KCB Group, British Council, World Bank and National Bank of Kenya.

The Fund held plenary sessions centred on key thematic areas driving the sector such as exploring alternatives to complement Government funding; measures of promoting autonomy of public universities; the potential of research and innovation in boosting income and available strategies to clear universities pending bills.

Education Cabinet Secretary Ezekiel Machogu, who opened the conference, said the cash crunch in universities was inhibiting them from conducting their primary

mandate of teaching and research.

Through the Presidential Working Party on Education Reforms, the CS said, the government will overhaul the university sub-sector to enhance access and quality.

Since 2017, he said, the number of students qualifying for university entry has been growing, with the matching need for increased Government funding.

‘I wish to assure you that the Government will do everything possible to implement measures that will help ensure the sustainability of our universities,’ he said.

During the conference, specific challenges derailing the sector were identified with the experts proposing solutions that will help to improve quality of teaching, minimise operational costs and promote collaborations and research.

Universities Fund Board Chairman Prof Karuti Kanyinga applauded Kenya’s progressiveness in the sector, noting that investments had surpassed those of other African countries.

Prof Kanyinga challenged the university managers to spearhead solutions that will not only steer the institutions to financial health but also create centres of excellence.

‘The Universities Fund has developed a proposal that

emphasises the need to conduct benchmarking with universities that have been successful in conducting community-based projects and review clustering for the purposes of funding,’ he said.

Universities Fund CEO Geoffrey Monari said higher learning institutions should come up with indicators to be used during performance-based funding.

He said the move will assist institutions to check appropriation of funds, enhance accountability and transparency and monitor capital development.

KCB Group CEO Paul Russo said a change of mindset was necessary if universities were to revive themselves.

Mr Russo called for strong collaborations in the sector, advising vice chancellors to identify programmes that could be funded by the private sector.

‘How do we work together to make sure programmes and initiatives are meaningful? How do we make sure that we produce the skills that are needed in the market? We need to scale up talent and skills,’ he said.

It was also proposed that universities offer programmes that were in line with the country’s needs, and prioritise those with the potential of providing higher returns.

PICTORIAL: The First Biennial Universities Funding Conference 2023

The First Biennial Universities Funding Conference took place at Pridelnn Flamingo Beach Resort & Spa in Mombasa on February 23-24, 2023. The conference brought together over 200 university education stakeholders to seek interventions for the universities funding crisis in Kenya.



Education Cabinet Secretary Ezekiel Machogu launches the First Biennial Universities Conference at Pridelnn Flamingo Beach Resort & Spa in Mombasa County on February 23, 2023.



Vice chancellors convene for the First Biennial Universities Conference.



Riara University Vice Chancellor Prof Robert Gateru gives his views on university reforms at the First Biennial Universities Conference 2023.



Monica Blegascu, Head of Programmes, Higher Education, British Council, addresses delegates at the conference.



Higher Education Principal Secretary Dr Beatrice Inyangala gives a speech at the inaugural universities conference.

National Assembly Education Committee Chairman Julius Melly makes his recommendations on university funding in Kenya.



Universities Fund staff take a group photo during the First Biennial Universities Conference 2023.

UF CEO Geoffrey Monari moderates a plenary session during the First Biennial Universities Conference 2023.



UFB Chairman Prof Karuti Kanyinga makes a presentation during the First Biennial Universities Conference 2023.

Calls for Commercialisation of Research Dominate Varsityes Event as Pending Bills Increase to Sh60bn

Higher education stakeholders have called for efforts to commercialise research terming it a “potential gold mine for generating revenue for universities”.

Public and private vice chancellors said unlocking the potential of research as an alternative revenue source should be prioritised in the wake of piling debt that now stands at Sh60.6 billion.

During the First Biennial Universities Funding Conference 2023, the VCs proposed the enhancement of public private partnerships to boost research and capital development projects.

According to a communiqué from the conference, research work by local scholars should be marketed in international peer-reviewed journals to increase their edge.

They called on the Government to change policy to provide for tax waivers on eligible research grants and donations and improve university linkages.

The conference, which was organised by the Universities Fund, was held at Pridelinn Flamingo Beach Resort & Spa in Mombasa County from February 23-24 with the theme ‘Universities for a Sustainable Future’.

More than 100 stakeholders from parastatals and private sector discussed strategic partnerships and resource mobilisation techniques, identified solutions for challenges afflicting the sector, and advanced proposals to inform further engagement on sustainable financing.

Addressing the conference, Higher Education and Research Principal Secretary Dr Beatrice Inyangala said the national government was exploring mechanisms to incentivise the private sector to contribute to research.

Dr Inyangala said the ministry plans to increase grant levels issued to universities to sustain training programmes and raise funding for research.

“Some of the proposals being considered by the Ministry of Education include performance-based funding to eradicate systemic issues and enhance the quality of education countrywide and development of centres of excellence to establish and promote technical, research, agricultural and applied universities,” she said.

South Eastern Kenya University vice chancellor Prof Geoffrey Muluvi said drastic measures have to be put in place to save universities from further financial deterioration.

Prof Muluvi highlighted that financial stability has gradually become the biggest threat to the existence of universities in the country.

He singled out policy constraints, slow adaptation to market needs, limited commercial ways of thinking and fundamental changes to university funding as the root causes of deterioration at the higher learning institutions.

Prof Muluvi said that by marketing innovations they can earn royalties, which will help sustain the higher learning institutions.

“Universities have unique and specialised human resources in diverse fields which if utilised can support the implementation of government projects in a timely and cost-effective way,” he said.

The VC said universities must tap into the advantages of technology through digitisation of programmes and setting up of online classes to help bring down cost.

He added that the core mandate of universities – research, teaching and community service – should be redefined to include innovation and industrialisation.

Local Public, Private Learning Institutions Ponder Setting up Database to Promote Efficiency, Information Sharing

University managers are proposing to set up an integrated data system that will enhance access to accurate information to promote better planning and evidence-based decision making.

Vice chancellors from public and private universities said a harmonised system will improve tracking of students’ lifecycle and in evaluating the viability of academic programmes.

During the First Biennial Universities Funding Conference last month, the VCs said the system will support information sharing across all institutions.

It was Universities Funding Board Chairman Prof Karuti Kanyinga who first stated that a Higher Education Management Information System that supports real-time data of the sector had been developed.

Prof Kanyinga said the tool will eliminate duplication of efforts by different institutions and provide sufficient

details university managers can utilise to run the universities.

“This system will have a single source of data for all stakeholders,” he said.

“It will maintain all data of staff in public and private universities.

The system will also enhance strategy formulation and planning among the higher education stakeholders and universities,” Prof Kanyinga said.

Universities Fund CEO Geoffrey Monari said the database will assist to inform decisions on ratios of students to lecturers, and teaching staff to non-teaching staff, data that are crucial in determining the standards of teaching.

Mr Monari disclosed that there have been inconsistencies on data sources on enrolment, staffing and funding in majority of local universities arising from inefficient



Dr Charles Mbuvi, Board Trustee, Universities Fund, leads a plenary session accompanied by Ms Sylvia Mwai, Head of Institutional Banking at the National Bank of Kenya; Prof Stephen Kiama, Vice Chancellor, University of Nairobi; Mr Seith Abeka, Managing Director, UNES; and Mr David Omyoyo, CEO, Media Council of Kenya

student tracking processes.

“With the traditional financing streams, including Exchequer funding and student fees, on a downward spiral, universities must also turn to more innovative ways and create approaches of income, and diversify and mobilise more resources if they are to stay afloat,” he said.

He said the higher education fraternity should take advantage of the conference to deliberate on the funding framework and ways that can be used to make the institutions sustainable.