

**United Nations Economic Commission
for Africa
Public Administration, Human
Resources and Social
Development Division (PHSD)**

**Association of African
Universities (AAU)**

**RESOURCE MOBILIZATION AND FINANCING OF
AFRICAN UNIVERSITIES**

Senior Policy Workshop

**Organized by ECA's Public Administration, Human Resources
and Social Development Division, within the framework of the
Special Action Programme for Administration and Management
in Africa, Regional Project (SAPAM), in collaboration with
the Association of African Universities**

**2 - 6 December 1991
Accra, Ghana**

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I. BACKGROUND AND INTRODUCTION

ECA's Public Administration, Human Resources and Social Development Division, organized, within the framework of the Special Action Programme for Administration and Management (SAPAM), a Senior Policy Workshop on the theme "Resource Mobilization and Financing of African Universities" from 2 - 6 December 1991 in Accra, Ghana. The Workshop was organized in collaboration with the Association of African Universities (AAU). It was attended by 38 participants representing 25 African universities and representatives of UNESCO and ILO. The list of participants is attached in Annex V.

The economic crisis that has gripped African countries has led most notably to the curtailment of social expenditure by governments particularly in the areas of education and health. The decline in support for the educational sector has resulted in the deterioration of educational infrastructures and the obvious decline of the quality of education. The austerity programmes introduced by governments to cope with the economic crisis have led to reduced financial allocation for higher education and reduced foreign exchange allocation for badly needed books, laboratory equipment and materials. Devaluation and soaring prices have resulted in a sharp decline in real income and falling purchasing power, often driving academics and researchers to engage in non-intellectual pursuits in order to survive or to altogether migrate outside Africa in search of greater pastures.

The pressure to reduce support for universities seems to intensify at a time when Africa is trailing behind in the areas of science and technology, marginalized from world affairs and recording declining rates of economic growth. Yet any effort at economic recovery and eventual transformation would depend on the quantum and quality of high skilled manpower that universities could produce. It is thus the unfortunate predicament in which African universities find themselves and the urgency with which the problem of the lack of resources has to be tackled, that impelled ECA/SAPAM to organize this senior policy workshop in collaboration with AAU. It provided a forum for exchange of experiences among senior university administrators, experts and relevant institutions in order to explore the range of possibilities for effective resource mobilization and utilization.

The objectives of the workshop were to:

1. contribute to strengthening the resource mobilization, capability of African universities, thereby enhancing their abilities to function effectively and respond to financial uncertainties and shortages;
2. assist universities to effectively manage and utilize the financial resources available at their disposal;
3. review the state of resource mobilization in African universities in the face of declining financial support from governments and donor agencies;
4. identify opportunities and constraints to resource mobilization in African universities;
5. review experiences of universities in managing revenue generating activities and

- identify the reasons for their success or failure;
- 6. examine the prospects of cost recovery strategies for higher education and;
- 7. examine the capacity for resource management and utilization in African universities and suggest measures for enhancing it.

The workshop was officially opened by the Honourable Mrs. Esi Sutherland-Addy, Deputy Secretary for Higher Education of the Republic of Ghana. Dr. Sadig Rasheed, Chief, Public Administration, Human Resources and Social Development Division of ECA; Prof. A. Sawyerr, Vice-Chancellor, University of Ghana; and Dr. Abdel Moniem Satti, Director of Programmes and Co-operation of AAU on behalf of Prof. Donald Ekong, Secretary-General of AAU, made welcoming statements.

In his welcoming remarks, Dr. Rasheed, on behalf of the Acting Executive Secretary of ECA, expressed gratitude to the Honourable Minister for gracing the occasion by her presence and agreeing to deliver the keynote address. Dr. Rasheed informed the participants that the workshop was one of many activities in which AAU and ECA are collaborating. He noted that ECA's recognition of the important role higher education institutions play in human resources development has led it to engage in a number of activities aimed at supporting higher education institutions in Africa and strengthening their role.

Dr. Rasheed called for the revitalization of higher education institutions if they are to be in any position to meet the challenges of development. They must play a vital role in the transformation process and the internalization of the forces and impulses of growth within the African economies in order for Africa to become a scientifically and technologically advanced continent. He called for the reversal of the increasing bias against these institutions and the need to reinvigorate them with an infusion of adequate and predictable resources to enable them to rebuild their capabilities to teach, produce skills, conduct research, act as 'think tanks' and support the development effort in an effective manner.

However, Dr. Rasheed, emphasized that while there is an imperative need to sustain adequate levels of financial support by governments to higher education institutions, there is equally well an obvious and compelling need for Africa's institutions of higher learning to intensify their efforts to mobilize resources from elsewhere; enhance their own income generating capacity; and also effectively manage and utilize the scarce resources that are available at their disposal.

Dr. Rasheed called on the participants to strive to find answers to the following questions: What can be done to generate domestic resources from non-conventional sources so as to fully or partially replace the lost support? What can be learnt from experiences gained elsewhere with regard to the generation of financial resources from outside government sources and donor agencies? Do cost recovery measures hold any real promise? In instances, where some commercial ventures have been launched as a means of mobilizing revenue, what have been the draw backs? In the cases of successful experiments, what useful lessons could be learnt? How can universities effectively utilize existing capacities in a manner that would optimize the use

of resources and release resources for other use? How can the research and consultancy capacities be developed as a means of generating additional resources? How can the alumni, the private sector, etc. be mobilized as sources of additional resources? How can donor interest and support be revived and sustained in the face of current problems and challenges? How can we enhance the capacity of universities for resource management?

In his statement, Professor Donald Ekong, Secretary-General of the Association of African Universities (AAU), noted that the theme of the workshop was vital to the survival of African universities. He said that the issue of financing of African universities has been a central feature of many recent or planned activities of the AAU. Principal among these are: the study on "Cost-effectiveness and Efficiency" conducted by AAU in nine African universities in 1990; the AAU/UNESCO Seminar on "Governance and Management of African Universities" held in Accra from 25 - 29 November 1991; an International Association of Universities and World Bank Roundtable on "A Long-Term Strategy for Financing Higher Education and Research in Developing Countries" held at the University of Ghana, Legon on 29 November 1991, and an AAU/British Council Roundtable on "Cost Reduction and Recovery and Alternative Fundings of Universities" to be held in Banjul, Gambia from 8 - 10 December 1991. Prof. Ekong was pleased that AAU could be associated with the present workshop and looked forward to a fruitful outcome.

In his Statement, Professor Akilagpa Sawyerr, Vice-Chancellor of the University of Legon, observed that although there was a high degree of social and political acceptance of the place of university in national development of African countries, the universities are nonetheless, greatly under funded. He attributed this situation to two factors; limited financial resources available to governments and wrong policy choices of governments in the allocation of financial resources. He explained that many African governments face a financial resource crunch as a result of a combination of a hostile international economic environment and incompetent domestic economic management.

As regards policy choices relating to the use of government resources, Prof. Sawyerr noted that the lack of sustained and informed public discussion in African countries meant that the governments did not exercise careful judgement about allocating resources to national priorities. As a result, African governments took the line of least resistance by pushing for reduced allocation to such areas as the tertiary sector of education, mainly the universities.

Prof. Sawyerr observed that drastic reduction of financial outlay to universities had several adverse effects. These include lowering of standards of research and teaching; insecurity for university staff; lack of freedom to innovate and explore new areas; and reduction of indigenous knowledge generation. He regretted that African universities should be confronted with these malaise precisely at a time in history when international economic competition will be knowledge-intensive, requiring innovative responses from African universities. Prof. Sawyerr praised the organizers of the workshop and said that the workshop was an excellent opportunity to further explore the issue of financing African universities and prescribe measures to alleviate the problems.

In her opening address, the Honourable Deputy Secretary for Higher Education, Mrs. Esi Sutherland-Addy, told the participants that the choice of Ghana as a venue for intensive deliberations on the way forward for higher education world wide and specifically in Africa over the last two weeks was a source of great pride.

The Deputy Secretary observed that the last quarter of the 20th century must certainly be one of the most difficult periods for anyone seeking to manage an institution of higher learning. She noted that the lack of stability in political and financial terms at home, as well as abroad, have blown sky high any concepts of available models to be pursued. She observed that among some of the greatest challenges to those managing tertiary systems are the challenges of increasing demand and inadequate resources. She informed the participants how these challenges were being met in Ghana through policy reforms aimed at ensuring quality and relevance, increased access and sustainability.

Mrs. Sutherland-Addy emphasized the need for governments to create an enabling environment to provide incentives for participation of business in the funding of university based activities and informed the participants that in Ghana serious discussions are already under way in this direction. She remarked that unfamiliarity with planning cycles, formats and procedures of institutions dealing with multilateral and bilateral assistance have severely hampered our capacity to effectively utilize such funds. She called on the participants to venture to identify new sources of resource and expressed hope that the participants would use the opportunity accorded to them by the workshop to familiarize themselves with techniques for identifying a wide range of potential sources.

Mrs. Sutherland-Addy also expressed hope that with this and subsequent workshops everything will be done to balance exposure of problems with transfer of skills. She reminded the participants that the future of their institutions rested on their sense of enterprise and managerial skills.

After the formal opening, the workshop continued for four days in plenary and working group sessions. The deliberation in the plenary and working group sessions were facilitated by a number of background papers on resource mobilization and financing of African universities. The papers presented are listed in Annex IV.

The discussions were organized around three main themes revolving around enhancing resource mobilization capacity of universities; financial resource management and utilization; and innovative techniques for resource mobilization. The summary of discussions and observations as well as the recommendations made are presented in the following chapters.

II. ENHANCING FINANCIAL RESOURCE MOBILIZATION CAPACITY AND MANAGEMENT OF AFRICAN UNIVERSITIES

Participants devoted the first session to an in-depth examination of the "State of Finance" of African universities and to the strategies for enhancing the resource mobilization capacities and management of the universities.

The participants observed that universities in Africa remain by and large in the hands of the State. Unlike the earlier decades following independence when universities were major beneficiaries of government support, recent trends suggest a steady decline in such support. Studies indicate that capital and recurrent funding to African universities had declined substantially in real terms and were inadequate to meet the needs of the universities. Funding levels to the universities in 1988/89 was around 50% of the real value of 1980/81.

Most universities no longer get much needed foreign exchange for purchase of books, essential equipment and laboratory supplies, with the consequent serious effect on their standards of performance. The austerity measures introduced by many African governments have resulted in the marginalization of the social sector. Given the dim prospect for fast economic recovery in many African countries, it is imperative that the universities search for alternative sources of funding and reduce their dependence on their national governments. While it is acknowledged that it would be unrealistic to expect them to be financially self-sufficient, they should nevertheless strive to create the institutional capacity and capability to generate sustainable alternative sources of funding.

The participants reviewed the current non-governmental sources of funding available to most universities. They included user fees, business ventures (commercial enterprises), consultancy and linkage with productivity centres, financial investments, endowments and foreign sources. Several observations were made in regard to the sources of funding.

It was noted that user fees do not constitute a significant source of funding. Attempts to increase the fees where funds are too small have led to political confrontations with students. As a result, many universities have resorted to indirect methods of payment such as registration fee, brokerage fee, library fee, laboratory fee etc. Universities in some countries have also resorted to collecting fees from continuing education programmes enabling them to charge for full cost.

It was also observed that universities have been engaged in a variety of commercial ventures as a means of raising additional resources. While acknowledging that there have been some success stories in this regard, the participants, however, cautioned against the danger of taking such ventures as if they were normal academic programmes forgetting the fact that they need to be seen as commercial ventures if they are to succeed and become viable.

It was noted that even though many universities provide, through formal and informal arrangements, consultancy services to both the public and private sectors in forms of policy studies, surveys, designs, development and application of new technologies and the adaptation of old ones, only a few of them have succeeded in establishing effective arrangements for consultancy services and linkages to industries and commercial enterprises. In those universities where consultancy infrastructures are well developed, it has not always been possible to get assignments from governments, who due to personal interests, prefer to procure the services from abroad.

The participants observed that the whole consultancy and productive sector linkage activities have been hampered by a number of difficulties. These include:

1. The lack of a clear relationship between these activities and university regular academic research activities;
2. Inappropriate allocation of university academic staff time between regular teaching, research work, and consultancy activities abroad;
3. Fear of the legal implications of university advice or activities that could lead to negative consequences to client organizations;
4. Unsuitable internal organizational arrangement and lack of effective leadership that will promote these activities; and
5. Ineffective reward system to motivate academic staff involved in the business activities.

Financial investments as a possible source of revenue were also examined by the participants. Although there are a few universities in Africa that have resorted to financial investment as a means of generating resources, it was regarded as inapplicable to many universities as such practice requires accumulated investable surplus which many of the universities lack.

However, the participants pointed out that the use of investment for generating revenues could be useful provided the following conditions are met:

1. There must be surplus capital or seed capital;
2. Investment opportunities must exist; and
3. Optimum investment decisions have to be made at each point in time.

To meet these conditions would require the right caliber of decision-makers endowed with adequate autonomy and use of modern business procedures and practices. The participants proposed that where financial investments are being undertaken, such ventures should be taken out from the regular accounting system of the university and set up separately.

The participants observed that endowments are another source of income for universities which serve as cushions against financial uncertainties for many universities in the North but the practice has yet to take a firm hold in Africa. African universities have not succeeded in

galvanizing the interest of potential contributors.

It was also noted that some universities have been beneficiaries of support from donor organizations both in bilateral and multilateral arrangements and from non-governmental organizations. But for the majority of the universities, such support has been fast declining as a result of donor's changing priorities. The recent position of donors is that the rate of return of higher education is low and resources channelled to this sector should be redirected to areas which could yield higher returns has been the major cause for the decline. The participants also noted that the economic use of existing resources should be explored as additional strategy for generating revenues. Maximizing the use of existing facilities during long vacations through evening classes for workers, continuing professional education, sandwich courses, renting of facilities, when not in use, were among the examples cited in regard to the above.

The participants underscored the need to make governments aware that expenditure of public funds on human resources development in critical areas of national life is an investment in the nation's future. Short term economic hardships should not lead to the abdication of the government's responsibility to provide urgently needed support for human resources development, if Africa is to catch up with the rest of the world. While efforts to persuade governments not to abdicate their support for higher education should continue, the participants also urged the universities to be realistic and recognize that many African governments, being in the most severe economic crisis, are unlikely to provide substantial increase in funding for higher education. The participants noted, with satisfaction, the efforts by some universities to diversify and broaden the base of their funding but at the same time called on the universities to make the creation of viable sources of funding as an integral part of university management philosophy.

It was also observed that the low allocation to research, libraries and staff development posed serious threats to the maintenance of the integrity of the universities and as such should be the focal point for resource mobilization efforts by universities.

III. INNOVATIVE TECHNIQUES FOR RESOURCE MOBILIZATION

Discussions on this topic preceded from the premise that the deterioration of the economic situation in African countries and the consequent inability of governments to adequately fund the universities suggest that the universities have to seek extra sources to fund the activities. In sharing experiences of their universities, participants identified the sources of financial constraints, examined the conditions for successful income generating activities and described the various income generating activities of their universities. Among the major sources of the financial constraints identified were: over-staffing, delays in decision-making, general mismanagement, inadequate subvention, and inability to charge user fees.

Participants stressed that universities should operate income generating ventures that are based on their natural strengths, specific expertise and comparative advantage, as well as, opportunities afforded by their location. The University of Gezira in Sudan was cited as an example of an institution that has seized the opportunity afforded by its location, near one of the world's largest agricultural schemes, to develop income generating activities organized around its teaching and research farm. The experience of that university has also illuminated one important condition for successful income generating activities, namely, cultivating cordial relations between Government and university. This is important given that governments exercise a lot of regulatory and tax influence over university income generating activities. The Addis Ababa University has also been successful in operating both crop and animal farming. A list of income generating activities of various African universities can be found in Annex III.

The participants underlined the need to give certain incentives to university personnel who are involved in income generating activities. Such incentives may include allocating a certain percentage of the surplus accruing from those activities to the staff. At the same time, managers of such enterprises should be given considerable autonomy and should not be encumbered by reporting to many committees. Particular emphasis was placed on the need to avoid having too many persons on the pay roll of the income generating activities.

The participants also emphasized the need to insulate income generating activities of universities from the main stream academic activities. This has one main advantage, eliminating the diversion of time and energy of staff from regular activities. For example, at the Ahmadu Bello University, in Zaria, Nigeria, the university press, which used to be an arm of the university library, has been incorporated as a limited liability company with its own board of directors. The university press now operates as a profitable enterprise.

However, a draw back of complete separation between commercial ventures of universities from the academic university staff is that the staff are deprived of the learning experience involved in managing commercial ventures. Universities, however, have to make a choice between profitability and promoting learning experience. Not in all cases will income generating activities involve separation between regular academic staff and commercial ventures. In many instances, the academic staff of universities actually employed their experience and

expertise for university income generation activities particularly in areas such as consultancy, feasibility studies and research. Participants cautioned that the need for universities to engage in income generating activities should not lead to the neglect of the main mission of universities in Africa. Indeed, the challenge for universities is to strike the right balance between mainstream university activities and income generating activities.

Participants classified university income earning activities into two categories; those related to the university mission which could be considered by products of its function and those activities not directly linked to primary functions of the university.

Activities included in the first category, those related to the university mission, are:

1. Extension and continuing education programmes provided to educate working people; and promoting short-term courses for seminars and workshop programmes.
2. Extending consultancy services.
3. Soliciting contract research and selling research programmes and findings including, patents and promotion of local products and practices.
4. Development and establishment of graduate programmes to enhance research capability, generate income from research activities, and using graduate programmes to divert international fellowship funds for use at home.
5. Endowments and grant funds for chairs, disciplines, scholarship, and fellowship funds.

The participants identified a number of conditions that need to be satisfied in order to fully exploit the potential of the first category of activities for purposes of generating revenue. Adequate and appropriate expertise and equipment should be available. Satisfactory and appropriate income sharing mechanism between the direct producers of the goods and services and the university administration must be devised. Adequate consultancy capacity cannot be built unless the experts involved in the process are adequately rewarded. Parts of the university involved in such activities ought to develop commercial attitudes and practices. Users have to be educated that the services by universities are not free, they involve costs and the costs should be recovered. Provisions should be made to take into account staff contributions to such activities during staff evaluation.

Activities included in the second category; those not directly related to primary functions of the university, are:

1. Bakery
2. Guest houses - canteens, staff-lounge
3. Agricultural farms products
4. Bookshop
5. Sale of university souvenirs and emblems
6. University press and publication

7. Investment and acquisition of interest in on-going concern
8. Use of university ancillary centres i.e. testing centres, graduate services etc.
9. Lending the good name of the university for generating income such as renting facilities, halls and conference centres.

Regarding the second category, i.e. those that are not necessarily directly linked with the major mission of universities but which could be sources of revenue if properly handled, the participants made the following observations:

1. Such ventures have to be adequately capitalized and should not be superimposed on existing academic facilities.
2. The establishment of such ventures should be preceded by careful analysis and study of financial feasibility and viability. Failure to do so could easily erode university resources.
3. There is need for adequate management and organization structures, shortening the hierarchy of decision-making and ensuring that they are run by full time responsible managers.
4. Commercial loans should be made available to such income generating ventures. There may be a need to revise legal provisions in some countries as commercial loans are not available to universities.
5. There is need to make those activities self financing. In the event they do not break even, prompt decisions must be taken to discontinue their operation.
6. Managers and employees of such activities should be motivated through appropriate incentive packages.

The participants stressed that in order for universities to derive maximum benefits from income generating activities, universities need to adhere to certain sound basic management policies and practices. Cost-effectiveness in the management of university resources was identified as one such tool. In this regard, it was observed that many universities have not been able to establish reliable per unit cost of educating a student in the university. Per unit cost analysis must use "trustworthy" indicators. Every component of university expenditure should not enter into that calculation, given that not all university expenditures are linked to student needs. Once the unit cost was established, the university should then ascertain which of the various components were most expensive with a view to finding ways to financing them. For example, feeding and housing of university students can be left to the private sector and other institutions so that universities limit themselves to teaching and research components of students education.

A second management technique recommended for judicious management of university resources is the adoption of Performance Improvement Programming (PIP). Developing this technique consists of the following interrelated steps: first, defining the objective of the university; second, identifying the needs which must be satisfied; third, analysis of impelling (positive) and impeding (obstacles) factors that affect the university; fourth, identifying its products - teaching, research, publications, essential services to the community; fifth, costing

each product so as to ascertain those in which the university has a competitive cost advantage. The university should then concentrate on producing products in areas which it has comparative advantage. Emphasis was placed on the need to make resource mobilization as part of the long-term corporate plan.

The question of cost recovery programmes for higher education, particularly university, was discussed against the background of the World Bank staff paper on "Deferred Cost Recovery for Higher Education: Student Loan Programmes in Developing Countries". The World Bank staff paper examined a number of options to assist in cost recovery without deterring access to qualified students. The World Bank staff paper proposed the following of several options:

1. There should be targeting of financial assistance to those who are deemed most deserving of support.
2. One effective technique for targeting funds is to allow higher education institutions to manage a pool of loan money and to allocate funds to the neediest students. Being in closer contact with student population may give these institutions an advantage in evaluating needs.
3. Access to loans may be limited to those students whose family or personal income falls below a threshold value.

Some participants expressed doubt about the practicability of implementing some of these proposals in Africa. Many participants took the view that loan recovery in Africa was plagued by many problems. Mainly, these include the high unemployment among university graduates which impedes the possibility of quick recovery of loans and the absence of network of information in many African countries which will preclude loan recovery even when the graduates have been employed.

Indeed, one participant described the World Bank staff paper as a typical example of making general, global prescriptions which have little relevance to African conditions. Commenting on the proposal for "target support" on the basis of "means testing" for students examined in the World Bank staff paper, some participants said that there was the implied notion of tax returns which showed accurate income earned by parents or sponsors of students at African universities. In virtually all African countries, however, the practice of tax returns were not entrenched and where returns were made, they did not contain accurate figures. Target support on "means testing" in such circumstances was almost impossible.

As regards using universities to manage loans, some participants expressed the view that African universities already had many problems managing various aspects of students life. It would be asking too much for universities to add the burden of managing loan money to their existing portfolio of activities. A central lesson that emerged was that African universities would continue to face a financial resource crunch in the foreseeable future; as such universities should develop indicators for managing their resources efficiently and effectively.

IV. RECOMMENDATIONS AND CONCLUSIONS

Recognizing the serious predicament of African universities and the need to urgently address their problems, the participants forwarded a mix of recommendations. These recommendations are organized around four clusters, those of general nature, those pertaining to resources management, those on innovative techniques and those regarding future activities of SAPAM in the area of management and financing of African universities.

General Recommendations

- African governments should be made aware that the future of their respective countries depends heavily on the investments they make in human resource development at the tertiary level. Africa cannot hope to benefit from the world's pool of scientific and technological knowledge without progressive human resources development strategies. Short-term economic hardships should not lead to the abdication of the responsibility for higher education development.
- The success of African universities to generate additional resources, would to a great extent, depend on their ability to retain competent staff, procure the right equipment and books, and provide the necessary capital infrastructure. The Government should assist the universities to meet the above needs.
- African governments should fund collaborative or cooperative programmes adopted by the universities to achieve quality through pooling of resources, staff and equipment.
- Success in revenue generation is dependent on the support such efforts manage to mobilize from the university leadership. There is thus a need for total commitment on the part of the university leadership to generate income from alternative resource.
- Governments should underwrite the cost of rationalization and staff retrenchments made to redress imbalance on the inherited resource mix of the universities which they fund, in order to encourage innovative management of the system.
- Governments should pay the full price of educational programmes which they have approved and should ensure that the real value of grants is maintained through automatic adjustment with the general price level; and for those inputs which are of necessity imported for the maintenance of excellence, through automatic adjustment with the currency value in the foreign exchange market.
- In order to create an enabling environment for universities, it might be necessary to review the legislative instruments establishing universities; this is necessary in cases where such legislative instruments restrict autonomy of university administration.

Innovative Measures

- In view of the problem of low funding of research in the universities, it is recommended that closer collaboration between donor organizations and local institutions be forged in order to strengthen and encourage the universities to compete and secure a significant share of external funds for research purposes.
- In instances where African universities collaborate with researchers from abroad, they should make good use of overhead charges as a means for building up and maintaining research facilities and competencies.
- Consultancy centres should be assisted to develop the necessary skills and capacity that will enable them to compete and attract contracts in international biddings. Governments should encourage the consultancy units to compete for government contracts; ensure they are paid full economic cost for their services; provide tax breaks etc.
- African governments should allow religious and charitable organizations, communities and philanthropic associations to establish private universities and colleges to absorb the excess demand for higher education and redress the underfunding of public institutions. But care should be taken to ensure that privatization of higher education for profit objective is kept under check.
- Universities should diversify their services to ensure fuller utilization of their resource capacities, giving more attention to less capital intensive undertakings in view of the problems of attracting funds into the system. Universities should seek the participation of financiers under a joint venture agreement in order to exploit very profitable projects which call for substantial capital outlay.
- Universities should take initiatives to launch endowment schemes and governments should participate and assist in the planning of the scheme. Governments should encourage big business to support universities through endowments in view of the long-term benefits they would reap as future employers.

Financial Management

- In determining the cost structure and pricing of services, universities in Africa should set up mechanisms for instituting accounting and financial reporting standards, university commodity prices indexation, and university programmes cost classifications.
- Budget figures should be incorporated into statements of income and expenditure to facilitate the comparison of planned and actual resource mobilization over an accounting period.
- All unincorporated auxiliary enterprises within the university system should be organized

on autonomous and self-supporting basis and should keep their accounts.

- University administrations should ensure that the accounts of their institutions and enterprises are compiled and audited soon after the end of the accounting year in order to promote accountability and ensure availability of data necessary for timely monitoring of financial activities.
- Universities should manage their income generating activities as commercial entities, i.e. in an efficient and cost effective manner.
- It is strongly recommended that measures be taken to sensitize the whole university community of the benefits of tapping new sources of revenue in the face of the fast dwindling resource base of universities.
- No revenue generating activity could succeed without an adequate seed fund to start the venture and creating a conducive environment to facilitate the operation of these activities including freedom to operate in a market framework.
- Income generating activities should be allowed to operate on a profit basis and proper steps should be taken to reinvest a given percentage of the profit to strengthen the capital base.
- Although it is difficult to prescribe the type of management structure for income generating ventures in a university, the participants believe that there must be a central university project co-ordinating unit with appropriate legal and financial expertise.
- Income generating activities falling under the main mission of the university should be appropriately budgeted and costed to permit determination of appropriate charges for services. Real cost of evening and part-time programmes in universities have not been determined to reflect appropriate economic costs thus resulting in deterioration of facilities. In this line there is need for developing appropriate cost index.

Recommendations Relating to SAPAM's Future Activities

The participants commended ECA/SAPAM and AAU for organizing the Workshop on a topical theme and urged the two organizations to continue to create an appropriate fora for African universities to further explore the mechanism for dealing with the serious resource constraints that they are currently facing. To this end, the participants call on ECA/SAPAM:

- To facilitate the sharing and exchange of resource mobilization experiences among African universities.
- Help identify issues and problems in the area of resource mobilization and help create awareness in universities.

- Create opportunities for exchange of lessons from successful and unsuccessful university resource mobilization efforts and techniques.
- Assist in developing data for minimum standards as a base for comparison, and to establish a cost index to measure performance relative to the continental efforts.
- Encourage African institutions to co-operate in material and human resource mobilization in order to strengthen centres of excellence and co-ordinate activities in research.
- Assist in developing or providing training of trainers, workshops and seminars on consultancy skills.
- Assist in sensitizing governments to involve universities in national development projects and use university services and their income generating activities.
- Assist in identifying more legal and managerial problems of income generating activities in the university and developing an advisory and technical expertise on these problems on regional and sub-regional basis.
- Collate continental information on such revenue generating activities in African universities and develop a roster of experts in these areas to tap resources and experiences on regional and sub-regional basis.
- ECA/SAPAM should assist in persuading African governments to ratify the Regional Convention on the recognition of certificates, diplomas, grades and other higher education titles in member States adopted in Arusha, Tanzania on 5 December 1981, aimed at enhancing inter-university mobility and exchange of staff in Africa.
- ECA/SAPAM should act as a catalyst in facilitating the establishment of a fund to provide the necessary resources for African universities to procure books, journals and other teaching and research equipment.
- In order for the recommendation to have the necessary impact, it is important that the top government officials dealing with matters of higher education and its financing, particularly from the ministries of finance and education should be invited to future SAPAM seminars and workshops on funding of African universities. ECA and AAU should also consult with other agencies dealing with higher education.

In concluding, the participants thanked the organizers of the Senior Policy Workshop for the initiatives they undertook in addressing a very urgent and pressing problem currently being faced by African universities. The participants requested ECA/SAPAM and AAU to ensure the wide dissemination of the report to African governments and universities. The participants also underscored the need for follow-up meetings to further address issues of resource mobilization and utilization not sufficiently covered in this workshop.

The participants requested ECA/SAPAM and AAU to convey their thanks to the Government of the Republic of Ghana for making it possible to hold the workshop in Accra and kindly consenting to deliver the keynote address at the opening ceremony. The participants also thanked the chairpersons and rapporteurs whose inputs were critical to the success of the workshop.

ANNEX I

**Programme of the Senior Policy Workshop on Mobilization of Resources
and Financing of African Universities
Accra, Ghana 2-6 December 1991**

Sunday, 1 December 1991

Arrival of Participants

Monday, 2 December 1991

0900 - 1000

Registration of Participants

1000 - 1130

Opening Session

- Welcoming Statement by Dr. Sadig Rasheed, Chief,
PHSD, ECA
- Welcoming Statement by Prof. Donald Ekong,
Secretary General of AAU
- Welcoming Statement by Prof. A. Sawyerr,
Vice Chancellor, University of Ghana
- Address by Invited Guest of Honour

1130 - 1200

Refreshments

1200 - 1430

Lunch Break

Enhancing Resource Mobilization Capacity of Universities

1430 - 1530

Prof. A. Sawyerr
Financing of African Universities:
Past Trends and Future Prospects

AAU

Towards Enhanced Resource Mobilization
and Financing of African Universities

1530 - 1630

Discussion

1630 - 1700

Coffee Break

1700 - 1830

Continuation of Discussion

Tuesday, 3 December 1991

Innovative Techniques for Resource Mobilization

0900 - 1030

AAU

Case Study of Innovative and Successful
Resource Mobilization Efforts

Prof. Johannes Kinfu

Resource Mobilization Experience in
Addis Ababa University: Income Generating
Activities at the Awassa College of
Agriculture and Debrezeit Junior College
of Agriculture

World Bank

Deferred Cost Recovery for Higher Education:
Student Loan Programmes in Developing Countries

1030 - 1045

Coffee Break

1045 - 1300

Lunch Break

Financial Resource Management and Utilization

1500 - 1600

UNESCO

Prof. Honorat Aguessy
Training in Management and Better Restructuring
in the Financing of Higher Education

1600 - 1630

Coffee Break

1630 - 1730

Discussion

Wednesday, 4 December 1991

0900 - 1030

Working Group Session I & II

1030 - 1100

Coffee Break

1100 - 1300

Continuation of the Working Group Sessions

1300 - 1430

Lunch Break

1430 - 1600

Continuation of the Working
Group Sessions

1600 - 1630

Coffee Break

1630 - 1830

Continuation of the Working Group Sessions

Thursday, 5 December 1991

0900 - 1100

Continuation of the Working Group Sessions

1100 - 1130

Coffee Break

1130 - 1630

Preparation of the Reports of the Working Groups

1630 - 1800

Presentation and Consideration of the Reports of the Working Groups

Friday, 6 December 1991

0900 - 1700

Excursion/Free for Participants

1700 - 1900

Consideration and Adoption of the Report of the Workshop

1900 - 1930

Closure of the Workshop

Saturday, 7 December 1991

Departure of Participants

ANNEX II

Text of Statements by

Dr. Sadig Rasheed
Chief, Public Administration, Human
Resources and Social Development Division (PHSD)
UN Economic Commission for Africa

Professor Akilagpa Sawyerr
Vice-Chancellor, University of Ghana

Professor Donald Ekong
Secretary General, Association of
African Universities (AAU)

Mrs. Esi Sutherland-Addy
Deputy Secretary of Higher Education
Accra, Ghana

2-6 December 1991
Accra, Ghana

Statement by Dr. Sadig Rasheed

It gives me great pleasure to welcome you, on behalf of Mr. Issa B.Y. Diallo, UN Assistant Secretary-General and Acting Executive Secretary of ECA, and on my own behalf, to this Senior Policy Workshop on "Resource Mobilization and Financing of African Universities."

I would also like at the outset to convey the deep appreciation of the organizers of the workshop to Mrs. Sutherland-Addy who, in spite of her very busy schedule, has agreed to open the workshop.

This workshop is only one of many activities in which the Association of African Universities (AAU) and ECA have been collaborating. The recognition of the important role which higher education institutions play in human resources development and the development process at large has led ECA to engage in a number of activities aimed at supporting higher education institutions in Africa and strengthening their role. This particular event is being organized by the Public Administration, Human Resources and Social Development Division of ECA within the framework of the Special Action Program for Administration and Management in African, Regional Project. (SAPAM)

It is now common knowledge that Africa is in the midst of a serious socio-economic crisis. The continent is much worse off economically now than it had been a decade ago. Per capita incomes have declined steadily, the continent's debt burden has been excruciating, per capita food production has fallen, unemployment and underemployment rates have soared, and the well-being of the African is on a precipitous decline. The 1990s do not seem to hold any better promise in terms of development. All indications point to the fact that hopes to reverse the on-going trends are unlikely to be realized for some time to come, and that such efforts can only succeed through concerted action by all concerned.

In response to the economic crisis, many African countries have embarked upon austerity measures and structural adjustment programmes. These measures have often led to the curtailment of social expenditure, particularly in the areas of education, health and sanitation. Austerity programmes, which resulted in reduced financial allocations to higher learning institutions and totally inadequate foreign exchange allocations for badly needed books, equipment and materials, have brought these institutions under severe pressure, resulting in the disintegration of the research and teaching infrastructures and in an obvious decline in the quantum and quality of education and research in the majority of our institutions.

Repeated devaluation and galloping inflation have combined to result in sharp falls in the real incomes and purchasing power of the university staff. As a result, the teaching staff have not only been constrained in discharging their teaching and research duties because of inadequate facilities; but have had to resort to economic survival strategies which are incompatible with their professional responsibilities, and often detrimental to these, to be able to stay on the job. Where the economic pressure had proven too much to bear, many university staff have been forced to

emigrate in search of greener pastures. This has led to severe shortages of senior and experienced staff members. In short, the very quality, impact, and relevance of higher education have been called into question.

Africa as a socio-economic entity would be left far behind by the turn of the century, unless Africa makes dedicated and conscious efforts to restructure its economy and achieve higher levels of production and productivity to ensure that growth and development would be achieved on a sustained and sustainable basis. Africa's institutions of higher learning have a catalytic and vital role to play in this process of accelerated and sustained growth, development and transformation. They have to evolve and venture into those types of teaching, learning and research activities that would provide the skills base required by the development and transformation process; and that are required for the internalization of the forces and impulses of growth within the African economies; and for Africa to become a scientifically and technologically advanced continent. They have also to act as effective indigenous 'think-tanks' in support of the formulation, implementation, monitoring, and evaluation of development strategies and policies and economic reform programmes.

For the institutions of higher learning to be in any position to meet these challenges, they have to be revitalized. The increasing bias against these institutions has to be reversed. They also need to be reinvigorated with an infusion of adequate and predictable resources to enable them to rebuild their capabilities to teach, produce skills, conduct research, act as 'think tanks' and support the development effort in an effective manner. Indeed, at present, enrollment in higher education represents no more than two per cent of total enrollment.

In such light, the virtue of severe cuts in budgetary allocations to institutions of higher education and the pressure exerted on them to pursue policies that decrease intake and constrain output should be seriously questioned and is increasingly being reviewed by many a government.

While there is an imperative need to sustain adequate levels of financial support by governments to higher education institutions, there is equally an obvious and compelling need for Africa's institutions of higher learning to intensify their efforts to mobilize resources from elsewhere; enhance their own income generating capacity; and also effectively manage and utilize the scarce resources that are available at their disposal.

The predicament in which Africa's institutions of higher learning find themselves in; the enormous development challenge facing these institutions; and the urgency with which the crisis has to be tackled, if long-term damage to higher education is to be avoided, have prompted ECA and AAU to jointly organize this workshop so as to provide senior university administrators with an opportunity for an in depth sharing of experiences on the aforesaid range of issues.

The real value of this workshop lies in our ability to engage, during the coming few days, in a frank and pragmatic exchange of experiences on the issues at hand. To structure and facilitate the debate, the issues have been clustered around three main themes: Enhancing Resource Mobilization Capacity of Universities; Financial Resources Management and

Utilization; and Innovative Techniques for Resource Mobilization. A number of papers have been commissioned and will be presented under these themes to whet your appetites and kick-off the debate. These include papers by UNESCO and the World Bank, presenting the perspectives of these two sister organizations on some of the issues under consideration. Let me at this juncture express my profound gratitude to both organizations for this much appreciated collaborative effort.

In dealing with the three interrelated sub-themes of the workshop we need to ask ourselves and strive to find answers to the following questions: What can be done to generate domestic resources from non-conventional sources so as to fully or partially replace the lost support? What can be learnt from experiences gained elsewhere with regard to the generation of financial resources from outside government sources and donor agencies? Do cost recovery measures hold any real promise? In instances where some commercial ventures have been launched as a means of mobilizing revenue, what have been the draw backs? In the cases of successful experiments, what useful lessons could be learnt? How can universities effectively utilize existing capacities in a manner that would optimize the use of resources and release resources for other uses? How can the research and consultancy capacities be developed as a means of generating additional resources? How can the alumni, the private sector, etc. be mobilized as sources of additional resources? How can donor interest and support be revived and sustained in the face of current problems and challenges? How can we enhance the capacity of universities for resource management?

Given the high level representation, caliber and range of expertise of the participants assembled here, I have no doubt that all the issues will receive the thorough treatment they deserve and that concrete and pragmatic recommendations will be forthcoming by the end of this event. These will, in turn, be widely disseminated by the ECA to the community of institutions of higher learning and to the decision-makers and policy-implementors to ensure that the fruits of your thought would be appropriately shared and would be of benefit to those who have not been with us here during this week.

Thank you for your kind attention.

Welcome speech by Professor Akilagpa Sawyerr

I am happy to join in welcoming you to this important workshop. I have no doubt that the papers prepared for presentation and their detailed discussion, especially in working group sessions, will make an important contribution to our effort to understand and resolve this vexed question of the sustenance of African universities and improvement in their performance. Permit me, however, to place before you at the outset a few ideas which we might find useful as background in our deliberations.

As I understand it, the fundamental question posed by the theme of this workshop is how Africa is to make such provision for its universities as to ensure that they are able to discharge fully and efficiently the functions entrusted to them. There is general agreement about the importance of our universities and the vital need for them. Despite what is often said about their elitist nature, there can be no doubting the very strong social acceptance and high regard for our universities. One is surprised by the degree of administration and support for them often expressed in the remotest and most unlikely corners of the continent.

Why, then, is there such a problem about making adequate provisions for their work? There are I believe two principal causes:

- reduced national means, and
- policy on the allocation of resources.

Let me start with the lack of resources. The nature and impact of the economic and social crisis that struck Africa in the 1980s has been discussed too often to need repetition here. I would only refer to a few special indicators to press the point home. As is widely known, sub-Saharan Africa suffered a 25% fall in the unit value of its exports to the rest of the world in the 1980s, with the result, among other things, that its share in world trade, which stood at 3.8% in 1970, had fallen to 1% by 1990. Secondly, its contribution to global GNP dropped from 1.9% to 1.2% between 1960 and 1972. Thirdly, a recent study has revealed an alarming dimension of the sad state of Africa in world trade. The study, which analyzed the unit values of iron and steel products imported by 20 Francophone African countries from France between 1962 and 1987, estimates that those countries may have lost as much as \$2 billion in that period, through the payment of prices that were, on average, 20-30% more than those paid by other importers from France. The picture is said to be the same for the importation of iron and steel by other African countries from their former colonial metropolis. If this holds true for other imports as well, the loss to Africa from the payment of such import price premia could be truly phenomenal.

In these and several other ways, sub-Saharan Africa continues to be exploited and marginalized by the current international political and economic dispensation. It is the case, though, that Africa's situation has been worsened many times over by the mismanagement of its

internal affairs - its politics, economic policy and management, its institution building, etc. Thus, whereas the rest of the world grew at an average real rate of 3% per annum in the 1980s, sub-Saharan Africa suffered a 1.7% per annum reduction in GNP. For all these reasons there has been a gross and continuing inadequacy of the capacity of the region to meet the basic needs of its people.

The second reason for poor provision for Africa's universities has to do with current resource allocation policies. Competing demands on limited national resources call for careful judgement about social priorities and allocation policies. Unfortunately, given the character of the domestic political dispensation of most African countries, in place of a sustained and informed discussion of alternatives, most African governments tend to choose the easy path of reducing allocations to the tertiary education sector, especially to the universities. This is done under the very strong impetus of the World Bank and donor community conditionalities.

It is this combination of reduced means and the new allocation policy that led to the severe reductions in public financial support for the universities in the 1980s. This has contributed to a steady decline in the performance of the universities, especially in respect of science and technical education, and of research generally. There has, at the same time, been a significant increase in the public scrutiny of the operations of the universities. This is perfectly understandable, to the extent that, especially in times of limited resources, all who draw on the public purse should expect to be subjected to such scrutiny as would ensure the most efficient use of the resources provided. This is no more true of the African universities than it is of universities in Western Europe, Australia and North America. But in Africa, where modern institutions are relatively weak and where there is no democratic tradition, such scrutiny provides easy cover for overt intrusion into the academic sphere of the work of the universities. It is necessary for African universities to resist such interference utterly, while accepting the obligation of accounting fully for the efficient use of public resources made available to them. It must be made clear, especially to governments, that true university autonomy and academic freedom are not luxuries, nor are they "foreign concepts" unsuited to Africa. Properly understood and applied, they help create the atmosphere needed to encourage innovation and the exploration of ideas, without which no university can claim to be a centre of learning.

The virtual starvation of its universities accounts in large part for the a palpable reduction in Africa's capacity for indigenous knowledge-generation and scientific advancement. Does this mean that Africa is prepared to abandon to others the field for innovation, technological development and cultural leadership? This is a matter that should be of the gravest concern to all. For, international competition in the coming decades is certain to be even more knowledge-intensive than it has been in the past.

The increasing dematerialization of production processes in the industrialized countries and the introduction of substitutes produced by the new materials sciences and biotechnology, in combination with the phenomenal strides in the development and application of informatics, have led to a reduction in the material-intensity of GDP growth in the industrialized countries. This poses a major threat to the raw-materials-producing countries of sub-Saharan Africa and

Latin America. Apart from the secular decline in the terms of trade against Africa in the 1980s, other indications of this danger are evident. For instance world trade in manufactures increased at a faster rate than did trade in primary commodities during the 1980s. Again, World Bank data suggests that a 1% increase in the GDP growth rate of the Organization for Economic Co-operation and Development (OECD) countries is likely to result in a 0.5% increase in the GDP growth rate of sub-Saharan African and Latin American countries in the 1990s. This contrasts with an estimated increase of 0.7% for all developing countries, and 1% for East Asia.

What this tells us is that the revolutions in modern science and technology, and their application to production and management, are threatening the long-term viability of the primary commodity-dependent countries in our region, leaving them further behind the rest of the world. At the same time, it needs to be carefully noted that it is precisely those revolutions that provide the best chance for sub-Saharan Africa keeping up with the rest of the world. For, given the proper political conditions and the appropriate policy measures, especially those to do with enhancement of human well-being and capacity in the broadest sense, there is undoubted potential in these new scientific and technological developments for bringing about the transformation of the African countries in such a way and at such a pace as to enable them to "leapfrog" over generations of backwardness, and bridge the gap that currently separates them from the advanced regions of the world.

This has to be one of the most powerful reasons why African nations should ensure that enough of their universities thrive and do work on the frontiers of knowledge. It may be necessary to concentrate resources in regional centres of excellence in order to make this feasible; it may be necessary to restructure curricula and improve strategic planning and incentive arrangements; but it is an inescapable obligation on each of us to look for effective means of enabling our universities to play their proper role. It is no longer a case of the prestige of this or that country or university, or the maintenance of traditions and standards for their own sake. For, it will not be putting it too strongly to argue that the question is ultimately about the viability of sub-Saharan Africa in the 21st century.

Mr. Chairman, Honourable Deputy-Secretary, it is against this background that, on behalf of all the universities of Ghana, I extend a very warm welcome to participants at this workshop. This constitutes one more opportunity for us to continue and advance the consultations necessary to clarify the issues and prescribe the measures required to see the African universities through the current crisis.

Statement by Professor Donald Ekong

It gives me great pleasure and honour to address this distinguished assembly gathered here today and those who have come from all parts of Africa to discuss a very important issue vital for the survival of their universities. This workshop could not have taken place at a more opportune time. Our universities and institutions of higher learning are not only faced with the task of making themselves cost-effective and efficient, but are also expected to generate funds and recover costs if they are to survive and prosper.

These issues are being hotly debated in many fora of the Association of African Universities and also being carefully studied by it. Some of you might be aware of the study on "Cost-effectiveness and Efficiency" carried out by the AAU in some 9 representative African universities. Again, only last week, the University of Ghana played host to two important meetings. One was a joint UNESCO/AAU seminar which brought together university heads and Government representatives of Ministries of Higher Education from most African countries together with participants from many international and regional organisations including ECA. The theme of the seminar was: "Governance and Management of African Universities" and of course the questions of financing of universities was touched upon. Towards the end of the week a Roundtable on: "A Long Term Strategy for Financing Higher Education and Research in Developing Countries" organized by the International Association of Universities (IAU) and World Bank was also hosted by Legon. Furthermore, AAU with support from British Council, will convene another Roundtable and will be attended by The Honourable Ministers for Higher Education and Vice-Chancellors (all in all about 15 participants) from Anglophone West Africa to debate the theme "Cost Reduction and Recovery and Alternative Funding of Universities". Banjul, the Gambia will be the venue for this activity from 8 - 10 December 1991.

So you see, the issue of this workshop looms high in the priorities of the AAU and many activities on it have either taken place or are planned for the future and the issue is being continuously studied and researched by us. In fact AAU is right now negotiating funding for a follow-up programme of the study on "Cost-effectiveness and Efficiency in African Universities" to make it an on-going research project in those universities who contributed to the study and provide leadership to other member universities to start similar projects. The objective is to gather appropriate data on parameters and guidelines on performance to hopefully lead to improvement of function and operation.

As you can see from the programme of the workshop, AAU is providing inputs to this seminar in the form of two papers which were specially commissioned for the purpose. In those papers, first hand information and up to date data are included which gives the situation on the ground today and I am sure you will find them quite revealing.

We are pleased to be associated with this activity and are grateful to ECA and particularly SAPAM in launching this workshop and look forward to fruitful results.

I thank you all for listening.

Speech Delivered by Mrs. Esi Sutherland-Addy

I am sure I speak for many Ghanaians when I say the choice of Ghana as a venue for such intensive deliberations on the way forward for higher education world wide and specifically in Africa over the last two weeks is a source of great pride. The just ended meeting of the Board of the International Association of Universities coupled with the AAU/UNESCO sponsored seminar on "Governance and Management of Universities" interlaced with the tremendously insightful contributions of Professor Goma to the Aggrey-Frazer Memorial Lectures on cognate subjects cannot but provide the right back drop for your discussions here today.

It is indeed necessary to form small working groups of policy-makers who would apply themselves to learning from each other and to taking the opportunity offered to be away from the daily grind to pick up actual management techniques. As we all know too well, most of us did not come to our positions as Vice-Chancellors or indeed Deputy Ministers for higher education as trained managers. A lot of our experience has been hard won by operating in an extremely precarious and delicate position in the African context. In fact you may want to compete in recounting hair raising experiences that you all have had and I am sure you would marvel at yourselves and your ability to survive so far.

I would, however, venture to suggest that as men and women at the helm of institutions that must set their sights on the future to fulfil a mission, there can be little satisfaction in merely surviving. Indeed it is probably worth reckoning that each one of you would want to have the satisfaction of having taken your institution a few steps ahead in your time.

This period in which we are passing, the last quarter of the 20th century, must certainly be one of the most difficult for any one seeking to manage an institution of higher learning since these were established 20-30 odd years ago. The lack of stability in political and financial terms at home as well as abroad have blown sky high any concepts of available models to be pursued.

While the self-examination with respect to the role, mission, and methodologies is a welcome sign all over the world, it poses a particular challenge for African universities, especially if they have not begun to generate within and among themselves the pillars and principles that would determine canons of excellence, relevant subjects and fields, significance of research output and appropriateness of models.

Among some of the greatest challenges to all of us who seek to manage the tertiary system are the challenges of increasing demand and inadequate resources. In Ghana we have sought to address this matter by confronting it squarely and coming out with a policy of reforms which we seek to apply to ensure improved quality and relevance, increased access and sustainability. I shall leave a few copies of these behind for ease of reference.

The Government has, for example, accepted that while striving to mobilize internal and external assistance to undertake essential rehabilitation and refurbishing of the plant and

infrastructure of the tertiary system, steps must be taken to draw on sources other than government to sustain improved capacity in institutions.

The Government has had to and continues to look for a number of ways to support new modes of financing university activity. Especially welcome are collaborations initiated by universities with non-governmental private sector organizations in various fields of endeavour such as sponsorship/commissioning or research, sponsorship chairs, student scholarships open days lecture series etc. These are beginning to be quite noticeable in Ghana although in net terms we are a long way from benefiting from the full impact of such activities.

The question is, in which ways can we move further along this promising path? It would appear obvious that there should be an enabling environment created by the Government to provide incentives for participation of business in the funding of university based activities. This is under serious discussion. What is however clear is that resource mobilization and the management of university based income generation are not skills to be taken for granted.

In Ghana, the Government is actively promoting revisions in the mode of managing universities to afford them the capacity at the highest possible level for the managing, mobilization and generation of funds. There are a number of ways to achieve this as demonstrated by the presence among us of a Vice-President for Business and Development and a number of directors of planning etc. We also know of institutions represented here today who have run consultancy centres and other businesses for quite some time.

No doubt you will be discussing the question of accessing funds available from multilateral and bilateral sources, for, most of the time we have not had the capacity to study the planning cycles, formats and procedures and this has hampered our utilization of these funds.

There may also be areas that we simply have not ventured to tread. It is my hope that during this seminar you will have the advantage of being exposed to techniques for identifying a wide range of potential sources. As a Deputy Minister for Higher Education, I should like to thank you personally for downing your tools in order to give yourselves this vital exposure. It is not uncommon to find those who might not have the time or the humility to avail themselves of such an opportunity.

May I say to the organizers that they have put together a group of extremely busy and experienced people. At this stage it is not the problem which is not known but the techniques for solving these that are not always available. It is my hope that with this workshop and subsequent ones as well, everything will be done to balance exposure of problems with a transfer of skills.

May I say once again that great store is set by this kind of interaction since Vice-Chancellors and policy-makers must also subject themselves to a formal learning process every now and again if they are to stay on top of a rapidly evolving situation. The future shape of your institutions rests on your sense of enterprise and your managerial skill.

It is my hope that you go back to your institutions invigorated and full of the confidence required to face the ever changing unknown and come out the better for it.

I wish you a successful seminar. Thank you.

ANNEX III

INCOME GENERATING ACTIVITIES IN AFRICAN UNIVERSITIES

1. University Marien Ngouabi-Republic of Congo
 - University press
 - Poultry
2. National University of Benin - Cotonou
 - Radiology services
 - Mechanical and vehicle repair workshop
 - Printing press
3. University of Cape Coast-Ghana
 - Furniture venture
 - Agricultural venture
4. University of Gezira-Sudan
 - Dairy and poultry farm
 - Pharmacy
 - Hospital
5. University of Science and Technology-Kumasi, Ghana
 - Commercial ventures/bookshop
 - Printing press and photocopying
 - Cash crop farm
 - Agricultural science (poultry)
 - Housing and planning research (window)
6. University of Benin-Nigeria
 - Art work company
 - Guest house
 - Conference facility
 - University press
7. Sokoine University of Agriculture-Morogoro, Tanzania
 - University farm
 - Bookshop
 - Guest house
 - Horticulture
 - Veterinary clinic
 - Forestry product
 - Research centre for animal feed and dairy products.

8. Ahmadu Bello University (Zaria)-Nigeria
 - University press
 - University bookshop
 - Conference centre and hall
 - University farm
 - Continuing education programmes
 - Part-time post-graduate & under-graduate programmes
9. Asmara University-Eritrea
 - Extension programme (evening)
 - University farms
 - Bookshop
10. University of Ibadan-Nigeria
 - University guest house
 - University press
 - University consultancy services
 - University farm
 - University bookshop
 - University zoological garden
 - University botanical garden
 - University internal transport service
 - University catering services
 - University petrol station
11. University of Zambia-Lusaka
 - University farm
 - Small animal clinic
 - University bookshop
 - University nursery
 - University press
12. University of Nigeria-Nsukka
 - Commercial guest houses
 - Petrol filling station
 - Agricultural enterprises
 - Crop growing
 - Poultry
 - Livestock
 - Agro-based enterprise
 - Bakery
 - Animal feed venture
 - Bookshop Ltd.
 - Press

ANNEX IV**LIST OF PAPERS**

1. "Financing of African Universities: Past Trends and Future Prospects" by Prof. A. Sawyerr and Prof. J. Djangmah.
2. "Towards Enhanced Resource Mobilization and Financing of African Universities" by AAU.
3. "Perspectives on the Resource Mobilization Capacity of African Universities" by UNESCO.
4. "Innovative Responses to the Problem of Underfunding of Universities: Case Study and Achievements of Six African Universities" by AAU.
5. "Case Study of Innovative and Successful Resource Mobilization Experience in Addis Ababa University: Income Generating Activities at the Awassa College of Agriculture and the former Debre-Zeit Junior College of Agriculture" by Prof. Johannes Kinfu.
6. "Deferred Cost-recovery for Higher Education: Student Loan Programmes in Developing Countries" by Douglas Albrecht and Adrian Ziderman made available to the workshop by the World Bank.

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