

Board getting Sh19 million monthly

By NATION Correspondent

The Higher Education Loans Board is currently recovering Sh19 million monthly from graduate loanees, its secretary, Prof Chacha-Nyaigotti Chacha, says.

He said the board had boosted its revolving fund kitty with Sh400 million recovered from 1995 to date.

The board, he said, recovered Sh18 million last month and Sh118 million was paid up by loanees between July 1997 and March 1998.

The secretary also said that Sh59 million was recovered between July 1995 and June 1996 while Sh83 million was recovered during the same period between 1996 and 1997.

Prof Chacha said the board had loaned Sh9 billion to past and present students since 1974.

He said it was anticipated that when the fund builds to capacity, it will be possible to advance loans to all applicants from public universities regardless of their financial backgrounds.

He was presenting a paper entitled "Cost Sharing in Higher Education in Kenya: Challenges to Stakeholders" at the Institute of Economic Affairs Open Forum at a Nairobi hotel.

Prof Chacha said the available funds from the Exchequer -- Sh800 m was not enough to cater for all loan applicants. The board required Sh1.3 million in order to finance students within the Kenyan public universities, and Sh64 million for bursary awards every year, he said.

"This does not take into consideration other institutions of higher learning such as private universities, other tertiary colleges and overseas institutions of higher learning," he said.

Prof Chacha said the greatest challenge to all stakeholders and those who have the future of higher learning in Kenya at heart, is therefore, to think of and actively engage in finding a lasting solution to financing higher education in its broader sense.

"We should reason together on questions such as: Is the current unit cost realistic and operational? If it were to change to a higher figure, who would provide the additional funds? There is a need to urgently and directly address these economic factors in order to ensure that the future of higher education is secured," he said.

Prof Chacha said he hoped to establish a strong revolving fund with a turn-over interest that would transform the board into a learners bank.

"Assuming that the current unit cost of university education at the undergraduate level remains the same, and Sh3 billion was deposited in the revolving fund, the board would expect to generate an interest of over 20 per cent annually at the current market rates. This, together with funds from the Exchequer, is what would be required to cater for all students applying for loans every year," he said.