

We needed to make sure that we were able to achieve our primary mandate of conserving Kenya's wildlife and to do this our cash inflows needed to be reliable and sufficient – Dr. Julius K. Kipng'etich, Director. By **JOE OMBUOR**

KWS Lays Firm Foundation for Financial Stability



The Kenya Wildlife Service (KWS) has turned a corner in its efforts to raise resources to support conservation in the 21st Century and beyond.

The organisation has undergone several drastic changes in its top leadership between 1994 and 2004. These changes affected the organization's financial position and its ability to generate sufficient revenue to meet Kenya's conservation agenda.

The pre-2004 period was characterized by ineffective financial management

procedures leading to gross mismanagement and loss of revenue. The manual systems hindered the capacity to deal with the financial requirements of the organisation.

Evidence from the financial reports depicts this gloomy picture. The most telling situation was that of net income, which indicated that, in the seven-year

period from 1997 to 2004, KWS oscillated around a consistent deficit position of KSh550 million at its lowest in 1998 and KSh50 million at its highest in 1999.

KWS traces the roots of its financial recovery to the appointment of a new Director in December 2004, Mr. Julius Kipng'etich, and renewed Government



support. The first step to addressing the organization's situation was the development of the 2005-2010 Strategic Plan to strengthen institutional capacity, among other key objectives.

Conservation

Under this initiative, emphasis was put on financial performance systems and improving revenue generation to support conservation. At the end of 2005, the gains had already started being felt and the internally-generated revenue doubled from KSh800 million to KSh1.6 billion. Internally-generated revenue has increased

from KSh800 million in the year 2004 to the current KSh4.6 billion and Government subvention increased from KSh400 million to the current KSh2.2 billion.

The first step in building the institutional capacity was to address the Smart Card revenue collection system. Later, a new system – Safari card – was installed to manage revenue collection. Safari card brought the advantage of having more controls, including audit trails.

This was also the beginning of devolving the financial management function to the conservation areas in line with the overall organization's decentralized structure.

The ultimate aim was to ensure that fully qualified accountants managed each of the eight regions.

Dr. Kipng'etich observes: "We needed to make sure that we were able to achieve our primary mandate of conserving Kenya's wildlife and to do this our cash inflows needed to be reliable and sufficient."

As the revenue collection and management improved, the set targets in the Strategic Plan of 2005-2010 were being achieved. Indeed, during the mid-term review of its 2005-2010 Strategic Plan in 2008, it emerged that 80% of the targets had been achieved ahead of schedule.

This informed the development of the Second Strategic Plan whose objectives were now geared towards growing the milestones.

Almost halfway to the end of the Strategic Plan 2005-2012, realized that we had accomplished over 80% of the targets set. The new plan is premised on an additional three drivers: People, Technology and Image, which are aligned to the country's Vision 2030 development blueprint.

Perspectives

The Strategic Plan 2008-2012, which used the Balance Score Card Performance Management Tool had one of its four perspectives being "Attaining financial sustainability". The new objective now focused on enhancing resource mobilization, diversification of revenue streams and growth as well as effective and efficient management of resources and strengthening the devolution of financial management to parks and regional offices.

Some of the key financial achievements under the new plan include the creation of the Kenya Wildlife Service Fund (the Endowment Fund).

The Fund is designed to provide reliable, consistent funding, despite the fluctuating tourism income, unpredictable national political environments, or the vagaries of international economics. Therefore, the Fund is expected to support wildlife and community conservation efforts over future generations.

The Fund's goal is to raise KSh8 billion (US\$100 million) over a decade. Therefore, at an assumed interest rate of 10% a year, KSh750 million (about US\$10 million) will then be available per year for conservation activities.

"That sum is but a fraction of the cost of countrywide conservation today — but will still be invaluable, particularly when tourism earnings dip and ensure sustainability," said Mr. Edwin Wanyonyi, Head of Resource Mobilisation.



"Kisumu Impala Boat Race" and "Kenya Wildlife Service Animal Adoption".

Last year, these events were able to raise a total of US\$200,000. The sponsorship for the events came from corporates like Standard Chartered Bank, Safaricom, Kenya Electricity Generating Company (Kengen), Kenya Commercial Bank, Resolution Health, Coca Cola, Kenya Airways, among others.

The Kenya Wildlife Service Animal Adoption Programme gives an opportunity to individuals or corporates to sponsor an animal at the Nairobi Animal Orphanage. The orphanage is famed for its efforts in caring for abducted, abandoned, and injured wild animals. The adoption programme is based on the fact that every animal at the Orphanage has specific needs.

Sponsorship

The support goes directly into the upkeep of the animals by providing food, medicine, toys, translocations, cage construction, maintenance repairs, and supplies. From every sponsorship received, 50% goes directly to the Kenya Wildlife Service Fund, whose objective is to provide a sustainable source of funding for wildlife conservation and its habitats.

Other financial sustainability initiatives include commercialization of the KWS Law Enforcement Academy in Manyani to admit outsiders from the region and beyond in various courses. KWS scientists will also have a structured way of developing proposals and conducting wildlife-based research as additional revenue streams.

KWS is now focused on the third Strategic Plan, which now aims at further strengthening the financial sustainability strategies. ■

The other new approach includes the commercialization of the Air Wing based at Wilson Airport, Nairobi, to hire out KWS aircraft to third parties and undertake repairs and maintenance of third-party aircraft. This would ensure that when the aircraft are not in use for park patrols, they could also generate revenue.

In order that visitors to national parks appreciate the role their park entry fees plays, it was renamed "Conservation fees".

The change of the name was to reflect the purpose for charging the fee and endear customers to wildlife conservation as a world heritage. This was also followed by differentiated pricing approach in the parks facilities. Leases of bandas in national parks were also reviewed and rationalised.

Another resource mobilization strategy was the creation of innovative conservation fun-filled fundraising events.

They include "To Hells Gate on a Wheelbarrow", "Cycle with the Rhino",

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