

IMPROVING PUBLIC SECTOR PERFORMANCE  
IN NATURAL RESOURCES MANAGEMENT

**THE KENYA WILDLIFE SERVICE:  
A Case Study of Parastatal Organization**

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## **1. IMPROVING PUBLIC SECTOR PERFORMANCE**

While there has been increasing attention paid in recent years to community-based resource management and the constructive role that resource users can and often do play in the conservation and enrichment as well as managed exploitation of the natural environment, relatively little attention has been focused on innovations that can lead to improvements in the performance of public sector entities. The attention now accorded to the role of resource users in managing and conserving resources is long overdue and offers great promise for redressing or at least slowing the loss of environmental resources that has characterized the past decades of public sector management.

Nevertheless, the State continues to have a role in insuring that all citizens now and in the future are able to derive full benefit from those natural resources that are a common inheritance and placed in trust under the care of responsible public agencies. At the very least, public agencies will continue to exercise regulatory authority over key natural resource bases, to enforce laws and regulations respecting the use and conservation of these resources, and to promote the efficient use and conservation of resources as defined by prevailing conceptions of the public interest. There is good reason, then, to seek means to improve public sector performance in managing natural resources, to learn from the experiences underway in Africa and elsewhere, and to bring these experiences and the lessons learned to bear on the design of future public sector reform programs in natural resources management.

### **1.1 Introduction to the Case Study**

The Kenya Wildlife Service was selected as one of three case studies for an analysis of institutional and financial incentives for improving public sector performance in natural resources management. Another case study has been completed in The Gambia and one is proposed for Lesotho. The Gambia study focused on intrasectoral revenue mobilization and retention as a means of improving performance in the Forestry Department. The proposed Lesotho study is to assess the impact of range use fees on user behavior and public sector decisions regarding the management of range resources. Financing was provided under the United States Agency for International Development's Policy Analysis, Research, and Technical Support program through a buy-in with the US Forest Service Forestry Support Program. The Kenya Wildlife Service was selected for review due to the importance accorded to changing incentive structures for public sector agents and resource users by (1) converting a traditional public sector agency into a semi-autonomous parastatal structure, and (2) instituting a variety of financial and other incentives to encourage improved performance by public sector employees and by populations in areas seriously impacted by their proximity to parks and reserves and the seasonal or permanent presence of wildlife.

### *1.1.1 Objectives and approach*

The principal objective of this analysis was to provide a critical assessment of the constraints and opportunities for strengthening public sector performance in natural resources management (NRM) by reviewing the experience to date of the Kenya Wildlife Service. It is important to underscore the point that this analysis was never intended to serve as a comprehensive evaluation of KWS as an organization. Rather, the intent was and is to look at the model of institutional reform, namely the conversion of a traditional government service into a semi-autonomous parastatal organization, represented by KWS and to draw forth the lessons to be learned from that experience. These lessons will hopefully be of use to policy makers, institutional specialists and development agency personnel when considering alternatives to improve the performance of public sector agencies in a variety of contexts and countries.

Field research for this report was carried out in Kenya from February 1 to March 4, 1994. Another visit conducted in June 1994 allowed for the collection of additional information regarding management and oversight structures. This later trip was undertaken as part of a review of the USAID-financed Conservation of Biodiverse Resource Areas (COBRA) project in light of donor concerns over changes in KWS leadership and delays in project implementation. A government initiated "probe" of KWS management, finance, and policies was being carried out at the time of the June visit.

Extensive interviews were held with senior KWS staff in Nairobi, donor representatives, and relevant government officials. Interviews were also conducted with Park officials and rangers in Amboseli National Park, Tsavo West National Park, and Maasai Mara National Reserve. Meetings were also organized with members of the Group Ranches surrounding these protected areas, district wildlife officers, and officials from the Narok and Olkejuado (Kajiado) County Councils.

### *1.1.2 Organization of the report*

The analysis is organized into three issue areas: institutional considerations, organizational considerations, and considerations of lessons learned from the KWS experience with institutional reorganization. Following a brief review of the context of institutional reform, an assessment of three key institutional issues, viz. authority, oversight and autonomy, as factors in institutional design will be presented. In the section on organizational issues attention will be given to organizational structure, management systems, personnel administration, financial management, and organizational communication. Finally, the implications of the lessons learned over the first four years of implementation will be reviewed as a unifying theme of the study.



## **1.2 Background to the Kenya Wildlife Service Reform**

KWS is an important, and largely successful, example of institutional reform. Paradoxically, it came about during a period of African institutional history characterized by the rampant dismantling of parastatal organizations, semi-autonomous marketing boards, and independent state owned enterprises. Most of this dismantling was done at the behest, if not the demand, of international lending agencies and some major bilateral donor organizations. Established from the late 1960s through the 1970s, parastatals were seen as a means of accessing superior management skills that were exceedingly rare in the state administrations of the time, of providing flexibility for complex market interactions, and of assuring greater accountability to international funding and national oversight agencies alike than was possible in the case of traditional line agencies. By the mid-to-late 1980s, many of these parastatal organizations had become bureaucratic, overstaffed, and ineffective, requiring continuous infusions of government revenues rather than generating value or revenue from their own activities. The irony of course is that most of these parastatals received substantial donor financial and technical assistance during their periods of efflorescence. A different optic on development now calls for market liberalization and privatization and throughout Africa parastatals have been placed on the auction block, dismembered, and their assets, staff, and functions dispersed and reorganized.

While the initial optimism surrounding the establishment of semi-autonomous organizations to carry out public functions dissipated with time, the underlying problems and deficiencies with public sector administrations saw little amelioration. Indeed, in many countries government administration was actually less able to perform in the 1980s and 1990s than was the case in the early post Independence period. Public sector payrolls ate up virtually all available resources, resulting in an absolute decline in funding available for capital investment and for needed rehabilitation of infrastructure, materials and operations. Governments found themselves able with difficulty to pay the salary for a physician, but not the bill for the alcohol and compresses required for medical treatment. Truck drivers and heavy equipment operators continued to be paid by Public Works Departments, but there was no funding left to pay for fuel or maintenance of the trucks and bulldozers. Similarly, the agencies responsible for wildlife conservation and management were heavily staffed with low-skilled, poorly trained, minimally equipped, and often demoralized rangers, park guards, wardens, and administrative staff. Funding was not available, however, for regular patrols to counter poaching, infrastructure maintenance or renovation, uniforms, paper, pens and the minutiae of day-to-day operations.

In the case of Kenya, government initiatives to stanch the loss of wildlife resources and the deterioration of the wildlife-based tourism industry by reform within the context of traditional bureaucratic structures proved unsuccessful. Corruption continued to cut into revenues from the parks and reserves, elephant numbers continued to plummet, and security became a factor menacing the immediate profitability of the tourism industry in Kenya. Mounting government concern was matched by alarm over biodiversity loss and environmental degradation among environmental NGOs, and growing interest and awareness in the environment in general and the economic value of wildlife and ecological resources in particular, among donors organizations.

In 1990 an extensive review of the history, prospects and potential of wildlife conservation and management in Kenya was undertaken. The results were issued in a multi-volume report called the *Kenya Wildlife Service, a policy framework and development programme 1991-96*, known widely as the Zebra book. This policy framework was formally adopted by the Board of Directors and has served as the guidebook and intellectual reference manual for the Service. The following is an excerpt entitled "Origins of the present situation".<sup>1</sup>

Wildlife conservation has a long history in Kenya. The earliest legislation on wildlife was enacted in 1898 by Regulations in the Gazette for the East African Protectorate establishing Game Reserves and introducing controls on hunting. A Game Department was established in 1907 to manage wildlife and hunting throughout the country. Ordinance 9 of 1945 established a Board of Trustees to administer land set aside as National Parks, and to do so largely independent of Government. Nairobi National Park was established as one of the first wildlife parks in East Africa in 1946. In the following years, the Kenya National Park Trustees set up several other National Parks and advised County Councils on the creation of Reserves. In creating the National Parks the role of the Game Department had to be redefined. It remained within the government and retained responsibility for the control of hunting, for licensing of all kinds, and for dealing with all wildlife problems outside Parks.

In 1976, after a re-examination of wildlife management policy, the Kenya Government decided to amalgamate the functions and responsibilities of the Game Department and the National Parks under a single new government department, the Wildlife Conservation and Management Department (WCMD). In 1977, in an attempt to control poaching, the Government banned all hunting of wild animals. In the following year, an Act of Parliament was passed that revoked all trophy and curio dealers licences, and compensation for current stocks was duly paid. This gave to WCMD a clean slate for controlling poaching and trafficking in trophies.

Unfortunately, the record of WCMD on this, as on other matters, was disappointing, for financial and management reasons. As a government department, it depended on Treasury subventions but the amounts received each year were quite unequal to the task, both because of the low priority accorded to tourism and wildlife and because of overall pressures to restrain government expenditures. At the start of the 1980s the Government implemented a programme of economic stabilisation measures which led, inter alia, to a decline in the real allocations to the WCMD. The recurrent budget at the start of the decade was already low; in 1980/81 and 1981/82 it averaged KShs 94 million. In the last two years of the decade (1988/89 and 1989/90) it was only KShs 145 million per year, a substantial drop in real terms. In the same period, the capital development budget declined from KShs 99 million per year to KShs 15 million.

The shortage of operating funds contributed to poor management standards. Without funds, most WCMD staff became accustomed to inactivity and to the deterioration of facilities and equipment. The department was overstaffed but numbers could not in practice be reduced in order to release funds for non-personnel costs. Low salaries and failure to pay due allowances caused further demoralisation and contributed to the growth of corruption. In the late 1970s corruption increased in the wildlife sector, because of the high values of ivory and rhino horn and the difficulty of accounting for Park gate revenues. Poaching for ivory became big business. A few senior wildlife officers took an active part in poaching and also the embezzlement of funds. Rangers were often required to carry out illegal activities for their



superiors, in addition to misdemeanours of their own. Honest officers attempting to resist corruption risked victimisation. This contributed to the rapid growth of poaching, which became practically uncontrolled by the end of 1988. In the 15 years of its existence, the WCMD presided over the reduction of Kenya's elephant population by some 85%, and its rhino population by 97%.

During this time, the National Parks infrastructure deteriorated badly and maintenance of roads, vehicles, plant and equipment virtually ceased. This occurred at a time when human population growth, expanding tourism and the illegal ivory and rhino horn trade were all demanding an intensification of wildlife management.

By contrast, wildlife populations generally did much better on private land, particularly the ranches in the highlands. The investments made by their owners largely assured the survival of the black rhino in Kenya. On the other hand, tolerance of wildlife on private land was strained to the limit by the cessation of hunting, since landowners had to bear the costs of competition for grazing with their livestock, without any opportunity to recover the costs or to reduce the increasing wildlife populations.

Meanwhile, tourism had grown through the 1980s and its importance to the Kenya economy had increased to the point where it became the country's top earner of foreign exchange. However, this partially concealed the developing crisis in wildlife management which was by then jeopardizing the future of the industry. It was manifested by an inability to guarantee the safety of tourists and their growing dissatisfaction with poor facilities and deteriorating infrastructure. Moreover, unregulated tourism was damaging some wildlife habitats and disturbing wildlife species.

In 1987 the Government became seriously concerned for the future of the tourism industry and for the rich natural heritage which had for so long been taken for granted, and mismanaged by the WCMD. The Government first made changes in the leadership of the department and approved the retirement of a large number of the senior staff in the public interest. It subsequently replaced WCMD by a parastatal body, the Kenya Wildlife Service.

The Government of Kenya made a serious effort to reform the WCMD in 1987, even authorizing the forced retirement of senior department staff. However, staff changes alone could not root out the corruption or compensate for the inadequacy of budgetary resources available to the department. With a staff in excess of 5,000 employees the department was allocated less than \$7 million annually in 1988/89 and 1989/90 for salaries, equipment, materials, and other operating expenses. With twenty-six National Parks managed directly by WCMD and another 29 areas gazetted as either National Reserves or National Sanctuaries, the department's responsibility extended over an area exceeding 53,000 sq.km. in designated wildlife conservation and management areas alone. Yet the capital budget for the department was less than \$720,000 per year during the last two years of its existence as a traditional line agency. The department was also responsible for problem animal control (PAC) in the vast areas that serve as wildlife corridors outside of gazetted areas and where wildlife come into direct and often problem-provoking contact with human populations.

In early 1989 the Government decided that more radical measures were required. The appointment of Dr. Richard Leakey as director of the WCMD was announced in April, along with Government's decision to convert the department into a national parastatal service. The Wildlife (Conservation and Management) Act<sup>2</sup> of 1977 was amended to allow for the creation of a national parastatal organization to be called the Kenya Wildlife Service and the establishment of a Board of Trustees to assure oversight and proper management of the Service. The amended Act was passed in December 1989 and became effective January 15, 1990.

## **2. INSTITUTIONAL ISSUES IN PUBLIC SECTOR PERFORMANCE**

Three factors have been found to be critical in determining the institutional capability of an organization. First, does the organization have the *authority* required to assert its needs and priorities as it seeks to carry-out its defined role and function? Second, is there adequate provision for *oversight* that will provide guidance when needed and insure accountability of the organization? Third, do senior managers possess sufficient *autonomy* or independence to implement programs, projects and routine tasks in a timely and efficient manner, and with the necessary degree of cooperation from government agencies and critical constituencies?

These factors are clearly interrelated. Authority must be in keeping with function and with the legitimate concern of the State to exercise control over all emanations of state power. For example, the establishment of KWS as a parastatal with corporate legal standing effectively removed it from the hierarchy of government administration. As a parastatal, KWS has greater authority over its own resources and budget, and over personnel. However, its budget continues to be submitted to Government and Parliament for review and approval. While the head of the Service no longer reports directly to the Permanent Secretary and Minister, there remains a clearly designated body which is to assure effective oversight and governance, in the form of the Board of Trustees. Oversight and governance functions are critical in determining the accountability of a para-public body to the public. Yet oversight, to be effective, should not hinder the day-to-day operations and routine programs of the organization. Managerial autonomy is critical to performance and is generally one of the chief objectives of initiating institutional reform.

### **2.1 Objectives and Limits of Authority**

Authority for parastatal organizations is affected by a number of factors, including location in government, legal status, and specific attributes conferred in legal and administrative texts. The removal of KWS from the traditional public administration did not remove it entirely from the purview of its ministry of origin. KWS, as a parastatal, remains linked to the Ministry of Tourism and Wildlife. The Minister retains the responsibility for insuring the implementation of the Wildlife Act, presenting the annual budget submission for KWS to Parliament, and discharging some residual functions as specified in the 1989 Wildlife Act amendment. However, the Minister is no longer responsible for the management of KWS. This function has been conferred to the Board of Directors.

While KWS remains nominally under the authority of the sectoral structure, the authority of the organization greatly exceeds that of its predecessor. Much of the authority accorded to the Minister of Wildlife and Tourism under the 1976 Wildlife Act was transferred to the parastatal entity by the 1989 amendment. KWS advises Government, whereas the WCMD advised the Minister. Furthermore, the authority of the executive officer of KWS is more on a par with that of the minister than with a department head of a line agency. The Director of KWS, like the Minister, is appointed by the President of the Republic. While this fact confers authority to the post, it also makes it more susceptible to presidential politics. The personal relationship and perception of trust that existed between President Daniel arap Moi and Richard Leakey greatly strengthened the ability of KWS to carry-out its mandate in the early years. The authority of the institution benefited from the perception of presidential favor and confidence. When the personal relationship between the President and the Director deteriorated, KWS came under attack as an institution in the press and in political circles.

### *2.1.1 Authority formally attributed to KWS*

The 1989 amendment specifies twelve functions that are assigned to KWS. These functions are presented in abridged form below:<sup>3</sup>

- a) formulate policies regarding the conservation, management and utilization of all types of fauna (not being domestic animals) and flora;
- b) advise the Government on establishment of protected areas;
- c) manage National Parks and National Reserves;
- d) prepare and implement management plans for National Reserves and National Parks;
- e) provide wildlife conservation education and extension services;
- f) sustain wildlife to meet conservation and management goals;
- g) conduct and co-ordinate research;
- h) identify manpower needs and recruit personnel;
- i) provide advice to Government, local authorities, and landowners on best methods of wildlife conservation and management;
- j) administer and co-ordinate international treaties, conventions and protocols in consultation with the Minister;
- k) solicit, accept and receive subscriptions, donations, devises and bequests;
- l) render services to the farming and ranching communities in Kenya necessary for the protection of agriculture and animal husbandry against destruction by wildlife.

Of particular consequence is the explicit authority granted over the formulation of policy, the recruitment of personnel, and the administration of international agreements relevant to wildlife conservation and management. It is worth highlighting the language in item j with reference to *consultation* with the Minister regarding international agreements, which implies a greater parity in the status of the Director and Minister than would more conventional formulations used to connote subordinate status, such as *to advise*.



There are also lacunae in the functions assigned to KWS. For example, while KWS clearly has the responsibility to formulate policy, what structure holds the authority to approve policy? This issue is addressed again in reference to the oversight function of the Board of Trustees. Another area of authority that is inadequately detailed or missing is that of financial authority. No reference is made here, or elsewhere in the amendment, regarding KWS's authority to conduct commercial activities to support its operations. The absence of express and explicit authority to engage in commercial activities was interpreted by some opponents of KWS (or opponents of Dr. Leakey, the distinction was often unclear) as a prohibition against such activity. This became a serious point of accusation during the official investigation or "probe" of KWS in June 1994. Since KWS was to become a self-financing organization, the intent of those establishing the structure was clearly to endow it with all necessary means to accomplish its function, including the ability to raise revenue from commercial and other endeavors. The failure to include explicit authority, however, became a limiting factor when challenged.

### *2.1.2 Relationship to the Ministry of Tourism and Wildlife*

The Ministry of Tourism and Wildlife has been designated as the ministry charged with implementation of the Wildlife Conservation Act as amended. The specific responsibilities of the minister include presentation to Cabinet of all policy decisions, legislative initiatives and other matters that require action by that body. The minister is also responsible for sponsoring approved legislative initiatives in Parliament and presentation and defense of the annual budget request to Parliament. The ministry also has a general responsibility to ensure that the Act is being implemented in conformity with the statutory provisions. This would entail a level of monitoring of KWS and Board decisions and actions, but would not require nor justify a role in the approval of wildlife conservation and management policies.

The Ministry of Tourism and Wildlife plays a critical role in the authorization of financial transactions between KWS and the Ministry of Finance, by virtue of the designation of the Permanent Secretary of that ministry as the Accounting Officer for public funds made available to KWS. This includes both GOK budgetary resources allocated for KWS as well as funds provided through bilateral and multilateral grants and loans. It should be noted that designation of the Accounting Officer is the prerogative of the Ministry of Finance. While it is the general practice, there is no legal or constitutional requirement that the Permanent Secretary be designated as the Accounting Officer.

There has been some concern that the current situation has resulted in undue delays in the transfer of funds and liquidation of financial obligations incurred by KWS due to the designation of the Permanent Secretary as Accounting Officer for public contributions to KWS. In effect this places the ministry in a rather powerful intermediate position between KWS and the Treasury. Failure to process promptly requests for transfer of funds can create significant liquidity and reputational problems for KWS.

There appear to be at least two options for improving the efficiency and effectiveness of financial management as it relates to the role of the Accounting Officer. The first option is to request that

the Director of KWS be designated as the Accounting Officer for funds transferred through the National Treasury. This would unify authority over both internally generated revenues and externally generated funds under the executive officer of the Service. The principal advantage of this option is to simplify the financial management system and reduce the time incurred in obtaining transfers of funds from the Treasury and liquidation of incurred expenses. However, this option would have the effect of separating responsibility and authority for public funds, including those for which the legal responsibility remains with the government as signatory to an agreement with an international agency. The government may understandably be reticent to assign authority over the management of monies that the government will be forced to reimburse should there be malfeasance in their use. The current system provides for an institutional safeguard by introducing the Permanent Secretary as an intermediate authority.

The second option involves simplifying and streamlining the process of authorization so as to reduce to a minimum any delays in funds availability that result from administrative processing. At the present time, KWS has a sub-vote in the national budget under the vote held by the Ministry of Tourism and Wildlife. The sub-vote is disaggregated into a number of detailed budgetary line items. While the disaggregation of the sub-vote provides more details, it also has the effect of restricting the flexibility of expenditure management by reducing the ability of KWS financial officers to transfer funds to critical areas as needed. The presentation of a detailed sub-vote budget and the ensuing restriction on funds flexibility is not required to assure sound financial management of public resources. Financial management is the responsibility of KWS as a corporate body, and of the Board of Trustees as the oversight and governance structure. The addition of an external audit and the authority of the Inspector General's Office to investigate KWS finances at any time, further reduces the need for further financial safeguards established through the budget process.

The option to this system is to grant KWS the authority to present a one-item sub-vote in the national budget. Full financial and budgetary information will be maintained by KWS as a routine operational matter and made available to the Board of Trustees and other authorities as required. The Permanent Secretary of the Ministry of Tourism and Wildlife would remain the designated Accounting Officer, but would no longer be required to compare funds requests with the detailed budget approved by Parliament, as long as the request was within the amount specified for the KWS sub-vote.

## **2.2 Oversight and Governance**

The second institutional factor that plays an important role in organizational performance is the provision made for effective oversight and governance. In traditional line agencies, hierarchy dictates the structure or office that will provide oversight and supervision. Governance in a line agency is also a matter of bureaucratic rules and respect of the existing chain of command. For parastatal organizations, on the other hand, these structures must be created and ideally their powers and authority clearly defined.

The oversight function is critical for a variety of reasons. The prevention of malfeasance, of course, comes to mind. But the oversight structure also plays a positive role in addition to the



safeguard role. An oversight structure for a parastatal is essential as a means of insulating the organization and senior management from political pressures and bureaucratic incursions. Ideally, the oversight body would serve as defender of the parastatal, as well as guarantor of respect for the public good and obedience of the laws of the land. Parastatals because of their greater autonomy of action and budgetary independence are often prone to attack by officials and politicians who perceive a threat to their own jurisdictions or mandated arena of responsibility.

Finally, a properly constituted oversight body can provide valuable guidance, technical inputs, and linkage with critical constituencies that will be of benefit to the fulfillment of the mission of the organization. The oversight body of a parastatal organization benefits from diversity in its composition. If all or at least the major groupings of stakeholders are represented the breadth of insights, perspectives and experience is multiplied. Communication of complex issues to critical constituencies is also facilitated if these constituencies are represented in the oversight body.

### *2.2.1 Functions of the Board of Trustees*

The Wildlife Act Amendment states that "The [Kenya Wildlife] Service shall be managed by a Board of Trustees of the Service...." (Section 3B.(1)) The specific functions, authority, and responsibilities of the Board are not described in detail in the Amendment. The Board is granted the authority, in consultation with the State Corporations Advisory Committee, to establish terms and conditions of employment, and to appoint and employ personnel as needed to implement the functions of the Service. No specific authority is given over wildlife management and conservation policy matters, financial affairs, operational issues, or National Parks and Reserves regulations. The absence of clear guidance on the role and functions of the Board allows for a high potential of interference in management decisions and operations policies that are most effectively vested in the senior management of KWS.

It is of some importance to note that KWS has a Board of Trustees and not a Board of Directors. The KWS Board holds public assets assigned to KWS in trust for the government and people of Kenya. The principal function of the Board based on its trusteeship responsibilities is to ensure that these assets are protected and put to the use for which they were intended. There appears to have been no intent incorporated in the formulation of the Amendment to confer substantive authority over policy matters to the Board. Indeed, the Amendment specifically provides that one of the functions of KWS is to "formulate policies regarding the conservation, management and utilization of all types of fauna (not being domestic animals) and flora...." (Section 3A.) Of course, this could be interpreted to refer only to formulation of recommendations for policy decisions that would then be vested in the Board as the governance body.

It has been stated by KWS staff and others that the Board's exercise of its authority has varied substantially since its creation. For the first three years of its existence, the Board adopted a more passive stance toward its oversight responsibilities. From the creation of the Board in 1990 to the appointment of the current chairman, Hillary Ng'weno in February 1993, the Board was chaired by the Director of KWS. Since the Act states that the Secretary of the Board is the Director of KWS, the Board found itself in the unusual position of depending very heavily for leadership on the head of the service the Board was to "manage". In the past year, the Board has attempted to

exert more of its own authority, especially during the period following the resignation of the first director of KWS. This has led the Board into areas that pertain more to operational than oversight functions, such as employment decisions regarding lower level KWS employees (category 2-8). The leadership vacuum that existed during the period following the resignation of the first director may have moved the Board to take a more active role in KWS management. With the appointment of the current director, the leadership vacuum and hence the justification for a strong Board role in operational matters has ended.

The critical oversight and governance functions will remain. The following activities are among those generally required to insure effective oversight.

- Provide oversight and guidance to KWS senior management, through the Director, so as to ensure the effective operation of the Service
- Approve annual budget submissions, supplemental budgets and major capital expenditures presented by the Director of the Service
- Monitor financial transactions and assure the propriety of financial management practices and reporting. This does not entail any authority for review or *ex ante* approval of specific expenditures that have been included in approved budget documents
- Approve annual work plans for KWS and monitor progress of implementation
- Review and approve operational policies, programs, and initiatives as requested by the Director of KWS
- Approve senior staff appointments and employment contracts for all senior personnel except the Director who by statutory provision is to be named by the President, and ensure that all personnel policies and practices are in conformity with guidelines established by the Board and any other relevant authority
- Review results of annual audit and oversee implementation of any recommendations to improve financial management
- Evaluate performance of KWS in accomplishing objectives, and implementing programs and activities approved in its annual work plans

The recent decision to establish subcommittees for Establishment and Finance, Security, and Conservation is an important step toward improving the Board's ability to assume its responsibilities and execute them in an efficient and timely manner. While this internal structuring is positive, it must be reiterated that the role of the Board and its new committees in operational matters is neither appropriate nor justifiable. It is advisable for the Board to establish clear guidance on its primary functions and the delimitation of its authority, especially as it pertains to operational matters, recruitment and conditions of employment of personnel, and review and approval of policies regarding wildlife conservation, management, protected area regulations, and other areas directly related to the execution of the functions of the Service.

Clearly, the Board is responsible for ensuring proper oversight and accountability of the Service. It may also have a legitimate and productive role in reviewing and approving major policy proposals and measures that will require parliamentary action. The objective of establishing clear

guidance on these matters is not to reduce Board authority, rather it is to formalize the responsibilities and authority of both the Service and its oversight body, the Board of Trustees. The formalization of domains of authority and the nature of discharge of the oversight function will also permit the Board to define more clearly its authority relative to that of the Ministry of Tourism and Wildlife to which KWS is attached. Again, there is substantial benefit to be derived from removing ambiguity in authority and formalizing the manner in which the oversight and governance role of the Board will be carried out relative to the Service and the ministry.

### *2.2.2 Board composition and method of selection*

Board membership is laid out in Section 3B of the Amendment. Provision is made for a maximum of 15 members, of which seven represent public sector agencies. The chairman of the Board is appointed by the President, and has both a casting and a deliberative vote. The Director of KWS is a member of the Board and is to serve as the Secretary. The Board is to appoint a vice-chairman from among its members.

There are seven designated members representing public sector agencies. Each member is to serve in his or her official capacity, and delegation to a representative is permitted as needed, though not formally acknowledged in the Act. No term limits are specified for public sector representatives. The public sector representatives are:

- Permanent Secretary, ministry responsible for wildlife
- Permanent Secretary, ministry responsible for finance
- Permanent Secretary, ministry responsible for local government
- A representative of the Permanent Secretary in the Office of the President responsible for internal security
- Commissioner of Police
- Director of Forests
- Director of Veterinary Services

In addition to these seven, there are to be "not more than six" trustees appointed by the Minister responsible for implementing the statute (in this case the Ministry of Tourism and Wildlife), who are to have some competence in nature conservation. The chairman and non-public sector trustees are appointed for three year terms and are eligible for reappointment. There is no maximum period of service specified by the Act.

There are two critical shortcomings with the Board as it is now constituted. First, public sector members are named due to their position rather than any personal interest or competence the individuals may have in areas related to the KWS mandate. Since the positions identified in the Act are all very senior, it is often difficult for the position holder to free sufficient time to participate regularly in Board activities, which leads them to delegate the task to subordinates in their agencies. The frequency of delegation and the lack of continuity in participation by the public sector representatives has been acknowledged by KWS and the Board chairman as an



obstacle to performance. The delegation of authority reduces the likelihood of consistent participation and hence the effectiveness of the oversight function.

The second major shortcoming is that inadequate attention is given to insuring that the Board is representative of the principal groups that have strong interest in wildlife issues and the effective operation of the nation's protected areas. No provision is made for representation of conservation or wildlife non-governmental organizations, private sector interests, local government authorities, research and academic institutions, and community leaders and organizations. Indeed, the Act does not require that the six members to be appointed by the Minister be other than public employees. That is, there is no provision barring the Minister from appointing civil servants to all Board posts, as long as the up to six other trustees be "conversant with nature conservation in all its aspects".

Finally, all members other than the public sector representatives and the two posts named by the President are determined by the Minister responsible for wildlife. The lack of a formal review process, or vetting by an independent authority, raises the specter of cronyism, nepotism and political rewards in making Board membership decisions. It is to the merit of the current Minister that this does not seem to be the case with the current appointments. The Board includes some very competent and experienced trustees who are able to make a significant contribution to the effective oversight of the Service. Nevertheless, institutional regulations and structures should be designed in a manner that reduces or negates the destabilizing influence of personalistic decision-making in favor of objectivity and transparency.

A number of observations may be advanced regarding the composition, representation, and manner of appointment of the Board of Trustees. While the total number of trustees is fully acceptable, the predominance of public sector representatives is not justifiable. Seven of the thirteen members (excluding the Chairman and Director of KWS for the moment) are from public sector institutions. Only five non-public sector members have been appointed. Since the public sector representatives are generally delegates of those named in the Act and are frequently different from one meeting to the next, the structure of membership places inordinate authority in the hands of those who are less able to assure routine and consistent participation in the oversight function.

The degree to which membership reflects the range of stakeholders and constituencies of an organization is also important. At the present time, there is no requirement to appoint as Trustees individuals who have experience with or who are actively involved in private sector activities related to wildlife conservation and management. Nor is specific provision made to insure representation of Kenyan non-governmental organizations active in conservation and development activities in areas adjacent to the nation's protected areas. There is also no provision made for insuring that the Board has access to adequate scientific and technical expertise from its membership. Finally, no provision is made for representation of communities or other social groups on the Board. While the Board of Trustees should not become a debating society or a forum for the presentation and defense of special interests, there is some value to having a broadly-based Board which is able to vocalize the specific concerns and expertise of key stakeholders. Not all of the groups mentioned above need be included by special provision in the

Wildlife Act. However, a Board's strength and effectiveness will be determined in part by its ability to assess and examine diverse positions on the major policies that it is to approve.

At the present time, trustees are selected by three separate mechanisms: appointment by the President in the case of the Director of KWS and the Chairman of the Board; selection by virtue of the office held in the case of the public sector members; and selection by the Minister responsible for implementation of the statute, in this case the Minister of Tourism and Wildlife. In the first instance, the role of the President is both justifiable and desirable. In the latter two instances, there is cause for reconsideration. In the case of public sector representatives, the specification of an office leads to delegation and the ineffectiveness of participation discussed earlier. In the case of non-public members, there is no institutional mechanism that would increase the likelihood of appointment of competent, objective and committed trustees other than the good will of the individual granted the authority to make the nomination. While it is generally understood that all nominations made by the minister are presented to the Office of the President for vetting, this procedure is not formalized in the statute. Again, it should be understood that no objection is being made to the competence, character or commitment of current Board members. Rather, the concern is simply to provide an institutional mechanism to improve the likelihood that the quality of appointments will be maintained in the future.

Consideration should be given to the designation of specific individuals judged by the agency in question to be technically competent, objective and committed to securing the interest of the people and government of Kenya in the effective management of the nation's wildlife resources, rather than office-holders as representatives of the key public agencies involved in wildlife conservation and management. Delegation of responsibilities would be proscribed. Since appointments would be nominative, there would be no justification for delegation of participation. It would be the public agency's responsibility to assure that the appointed civil servant was available for participation at all Board meetings and Board sponsored activities. This would likely result in a higher level of technical appropriateness in representation as well as more consistent and effective participation of public sector representatives in the oversight and governance of KWS.

Consideration should also be given to the establishment of an appointment committee to receive and review nominations for the non-public members of the Board. If desired, the public sector nominations could also be reviewed by this body. This committee would be of particular utility if the recommendation regarding expanding the breadth of representation of stake holder groups is adopted. The committee could consist of both public and private sector members. While the membership of the committee could be determined by the Minister responsible for implementation of the statute, the names of members of the committee would be made public. Appointment authority would still be retained by the minister. The function of the committee would be to assure that the most qualified candidates are brought to the attention of the minister while providing the public with some assurance that the nomination and review process is objective.



## 2.3 Institutional Autonomy

KWS has been granted clear authority over virtually all matters related to wildlife conservation and management. Furthermore, an adequate oversight body was created to counterbalance, guide and protect the nascent organization. The autonomy of an organization relates to the degree to which it is free from unwanted external compulsion and the extent to which it is free to engage in actions that are seen as contributing to the accomplishment of its objectives. The dual character of autonomy -- freedom from and freedom to -- is an important consideration when designing public sector organizations and has serious implications for the degree to which an institution is able to fulfill its mandate.

### 2.3.1 Joint management agreements

The 1989 Amendment largely frees KWS to engage in actions with critical constituencies and stakeholders. A positive example of this is found in the Memorandum of Understanding signed between KWS and the Department of Forestry. Some of Kenya's key wildlife populations are found in forested areas, including National Forests under the jurisdiction of the Department of Forestry. Mt. Kenya National Park, for example, is surrounded by national forest land which serves as a form of wildlife preserve for many of the species found in the park. Other agreements have been made with local authorities regarding the management of protected areas and activities in dispersal areas.

#### Government Services

A *Memorandum of Understanding for the Joint Management of Selected Forests* was signed in December 1991 between KWS and the Department of Forestry. The Steering Committee of the Memorandum of Understanding (MoU) identified 25 natural forests and all mangrove forests to be jointly managed for a period of 25 years through the preparation and implementation of management plans. In February 1992, a two day seminar was organized to introduce the Memorandum to District officers and other field staff of both organizations. In October 1992, a workshop was held to inform headquarters staff about the MoU and its implications and to provide an opportunity for officers in the two organizations to meet each other and to discuss their specialist fields.

In his opening remarks, Mr. C. Nyaga, Director of Forestry, reviewed the growing threat to Kenya's important forest resources posed by "increasing pressures for land and forest resources in the face of human population growth". By working together, the Department of Forestry and KWS can pool technical expertise and improve both wildlife and forest resource management. The Director of the Forestry Department recognized the importance of incorporating local resource users into the management system, and stated that "...both organizations are now realizing that for forest conservation to succeed, the needs and aspirations of local communities must be taken into account. Greater community consultation and involvement in management

issues are required, along with continued access to forest produce and sharing of other benefits from forests".<sup>4</sup>

The MoU provides for the establishment of a Steering Committee but leaves its role and authority unclear. At the field level, Joint Management Teams are to be created to oversee the management of selected forests, such as Kakamega Forest Reserve. The field level collaboration between KWS and the Department of Forestry has generated considerable optimism as well as revealed some problems, especially the differences in level of training and compensation of staff, especially in the lower cadres. Major accomplishments mentioned at the October 1992 workshop included the successful introduction of joint patrols resulting in over 260 arrests in Kakamega forest alone, training of forest guards and rangers, aerial patrols and the initiation of development of a series of joint management plans.

### **Local Authorities**

KWS has also undertaken measures to strengthen collaboration with County Councils that manage game reserves and other protected areas. Four National Reserves - Nasolot, Laikipia, South Turkana and Tana River Primate National Reserves were brought under KWS active management in 1992-1993 following signing of agreements with local authorities. KWS is interested in assuming management responsibility over key National Reserves, though not full control, since the latter could be politically damaging. Management agreements have been negotiated with some County Councils, giving KWS responsibility for reserve management, infrastructure, and operations. In the case of Nasolot National Reserve, for example, KWS and the County Council agreed to place the reserve under direct KWS management, while allowing the County Council to retain an interest in any profits realized by the reserve. "The first use of the revenue accruing from the reserve will be to meet KWS management and administrative costs including personnel, transport, operations, maintenance and depreciation, while an agreed proportion of the surplus will be set aside for the purpose of revenue sharing with the community neighboring the reserve. The balance will then be shared equally between KWS and the County Council."<sup>5</sup>

In other cases, KWS has considered -- or executed -- management agreements that leave management responsibility in the hands of the County Council while KWS provides technical assistance, supervision, and oversight. This is the case with Samburu County Council regarding Samburu National Reserve. The Warden would be a KWS employee but all other staff would be provided by the County Council. The County Council would agree to respect KWS's revenue sharing policies and to follow a mutually developed Reserve management plan. In the Samburu case, the draft lays out a financing plan whereby all revenues would be held in a unified account out of which management costs, including KWS and County Council headquarters costs, would be paid. Of the surplus, 90% would go to the County Council and 10% to KWS.

### **Community Organizations**

The ability to negotiate with and enter into agreements with local authorities, other government agencies, and local populations is critical to the accomplishment of KWS's mission. KWS has been

given responsibility over all wildlife in Kenya, not just that found in the protected areas under its management. Indeed, in many cases there are larger wildlife numbers outside the protected areas than inside, especially during periods of wildlife migration. It is estimated that as much as 80% of Kenya's wildlife can be found outside protected areas, in locales where 24-42% of the country's inhabitants live and work.<sup>6</sup> Kenya is criss-crossed by wildlife corridors and increasingly these corridors are witnessing encroachment by human populations. Human-wildlife conflict is increasing in dispersal zones requiring strong and effective response from KWS. The example of two of Kenya's - and the world's - most popular parks, Amboseli National Park and the Maasai Mara National Reserve illustrates the importance of interjurisdictional negotiation and collaboration.

Amboseli National Park covers an area of approximately 392 square kilometers. The dispersal area for the park that receives large populations of wildlife seeking wet season grazing grounds, covers 3,740 square kilometers. Dr. David Western, in a study conducted several years before he was selected to succeed Richard Leakey as the Director of KWS, estimated that "...40% of wildlife occupancy is outside the Park, and that if the Park were entirely fenced off for any reason wildlife numbers in the Park would decline by half with some species, such as lion, cheetah and possibly elephant, failing to survive."<sup>7</sup> The dispersal area falls on land owned by Maasai Group Ranch members. Four Group Ranches - Olgulului, Mbirikani, Selenkei, and Kimana - control the land surrounding Amboseli. The situation at another heavily visited reserve, Maasai Mara, is similar. The Maasai Mara National Reserve covers an area of 1,368 sq.km. and has a dispersal area of 3,000 sq. km. The land is owned by a number of Maasai Group Ranches and individual landowners. The principal Group Ranches are Koyiaki, Ol'Kinyei, Lemek, Kimentet, Olorien, Kerinkani and Siana. A small group of landowners has established the Ol Choro Oiroua Wildlife Management and Conservation Association. This association has developed substantial interests in the local tourism industry and has begun to capture revenue streams from tourism. In 1993 it began to distribute revenue to nearby Group Ranches as well. KWS has worked closely with the Association and has encouraged the formation of similar economic ventures by other communities both around the Mara and around other protected areas.

Unlike Amboseli, however, the Maasai Mara National Reserve is managed by Narok County Council rather than KWS. Therefore, all revenues generated from the Reserve return to the County Council rather than to KWS, despite the fact that the latter is heavily involved in anti-poaching activities, Reserve security, and community wildlife management including problem animal control. This creates something of a dilemma for KWS which finds itself responsible for activities that incur significant costs yet without any form of compensation from the revenues generated by or supplemented by virtue of KWS inputs.

KWS has initiated a Community Wildlife Program to work with communities impacted by wildlife and to assist them to develop means of capturing some of the benefits due to wildlife conservation and management. This program uses revenue sharing, wildlife use rights, and enterprise development as means of providing incentives to communities and individual residents to see conservation as an economic value rather than as a nuisance, constraint, or source of loss (for example from crop damage) alone. The effectiveness of the CWP will not be reviewed here. What is important from an institutional perspective is that KWS has the authority to enter into



discussions and contracts with a variety of constituencies that are critical to the organization's success in wildlife conservation and management.

### **3. ORGANIZATIONAL ISSUES IN PUBLIC SECTOR PERFORMANCE**

Three factors affecting KWS performance - organizational systems, staffing, and finance - will be addressed in the following sections. Attention will be given to the importance of organizational structure and management systems, personnel administration and staffing practices, and financial management. Consideration will also be given to the importance of communication with external stakeholders, key constituencies, and internally within the organization.

#### **3.1 Management Systems**

While KWS as an organization was able to make impressive improvements in employee morale, the condition of infrastructure, Park security, and reduction in poaching in a relatively short period of time, it did so at the cost of developing strong internal management systems. The reorganization of the sector focused on action rather than process. After four years of existence as a semi-autonomous organization, KWS still lacked a formally approved organizational structure as of June 1994. The chain of command was not codified, nor were apparent lines of authority always followed. While a small group of senior staff met regularly with the Director, it was unclear to many how horizontal relations were to be conducted. All power flowed from the chief executive officer, resulting in the reinforcement of vertical relationships to the detriment of horizontal communication and collaboration.

Since KWS is a "uniformed and disciplined" service, as specified in the 1989 Amendment, lines of authority, reporting, and communication were reasonably clear within the uniformed corps, especially at lower levels. The hierarchy of Ranger to Assistant Warden to Warden and on to Senior Warden was well understood and respected. At the headquarters level, however, ambiguities persisted due in part to the absence of key personnel and also to the presence of managers brought in from the private sector to strengthen KWS capabilities. In some cases, contract personnel held key line posts, in others they served as staff and personal assistants to senior managers. The lack of an agreed upon and formally established organizational structure may have permitted greater flexibility but it also led to conflicts and confusion over responsibilities and authority. The 1993 Coopers & Lybrand report on personnel policy, compensation and terms of service highlighted the effects of the ambiguity regarding organizational structure. "There is no single, agreed record of the organisational structure for KWS. Managers at different levels have different views on reporting relationships, with different charts of the structures that they believe apply. Also, it appears that proposals for new posts are progressed without regard to the implications for the organisation structure, or for other posts in the area concerned."<sup>8</sup>

A case in point is the confusion that exists over who controls uniformed staff outside the National Parks. Since the Community Wildlife Service was given responsibility for problem animal control, extension, and community outreach activities outside of protected areas, the district wardens and their staff fall under the authority of the Assistant Deputy Director for Community Wildlife.

However, the uniformed staff are treated as a single body and transfers in and out of Parks and districts are made without reference to the program needs and manpower requirements of the Community Wildlife Program. Furthermore, in an effort to decentralize KWS management Senior Park Wardens were given authority over all KWS staff in their areas, including district staff outside of the protected areas. Since Senior Wardens report to the Assistant Deputy Director for National Parks and Reserves, and generally directly to the Senior Deputy Director for Wildlife Services, the Community Wildlife Service often finds itself outside the management and decision system in matters that directly impact the programs, personnel and activities for which it is responsible.

### *3.1.1 Factors contributing to weak management systems*

There are a number of factors that contributed to the weakness of management systems. First and foremost, is the problem of inheritance. KWS inherited park infrastructure, trained personnel, and established routines, practices and procedures. These were overall positive and contributed to continuity during the transition period. KWS did not inherit experienced staff with solid management, personnel, and financial skills. As a government department, WCMD depended on central services for personnel and financial management. None of the private sector skills and orientation essential to the successful operation of an enterprise that generated and retained its own revenues, had responsibility for budget preparation, monitoring and management, and exercised control over the hiring and firing of staff existed in the new parastatal organization.

KWS began its existence with over 5,000 employees and no functional personnel administration system. A comparable situation existed in the area of finance. In 1990/91, its first full year of existence as a parastatal, revenue from the 22 National Parks and National Reserves under KWS management alone exceeded KSh. 225,000,000, or over \$9 million.<sup>9</sup> The KWS payroll for that year came in at over KSh 141 million. The KWS Finance Department, however, lacked a director, was understaffed, and did not have a functioning financial management system in place.

Another factor that contributed to the weakness of management systems was the structure and timing of donor assistance. The World Bank, IDA and an assortment of bilateral donor organizations assisted KWS and the Government in the design of a comprehensive wildlife sector assistance program. Total funding for the resulting Protected Areas and Wildlife Service (PAWS) project came to approximately \$143 million. The GOK contribution was approximately \$12 million, excluding the value of exemptions granted on tax and duty revenues. The PAWS project is a multi-donor consortium with task areas carved out for specific donors and IDA providing funds to fill the gaps after bilateral donor commitments were made. Although PAWS came on line in July 1992, a number of key bilateral donors failed to sign loan and grant agreements with the Government at that time. Some major donors, such as the Overseas Development Agency, had still not agreed to finance the programs they had selected during the design stage as of June 1994. Since ODA had principal responsibility for financing technical assistance and equipment for management systems, this became a serious constraint to implementation.

A third factor that prevented the development of adequate management systems was the failure to fill key senior management positions. In KWS, department heads hold the rank of Deputy



Director. As of June 1994, there was a Senior Deputy Director for Wildlife Services and a Deputy Director for Technical Services. The Commandant of the Security branch of KWS was serving as Interim Director following Dr. Leakey's resignation. The absence of department heads was especially critical in the areas of Personnel and Finance, but also hampered the development of other divisions as well. By June 1994, the department responsible for personnel and human resource development still lacked a Deputy Director and was nominally under the care of an Assistant Deputy Director whose background was largely in training in the nongovernmental sector. The Finance Department appeared to be headed by the Senior Technical Advisor for Finance, perhaps in collaboration with the Financial Controller. A Commercial Manager had been recently hired and was attempting to develop strategies to increase KWS's non-entry fee based revenues. The delay in establishing this division was particularly important given the need to develop strong revenue resources if the organization is to attain even minimal financial sustainability.

### *3.1.2 Implications for the design and implementation of parastatal organizations*

When senior KWS staff were asked to cite the most important lessons learned from their experience, the most common response was that the establishment of sound management systems must be given high priority at the outset. Wildlife conservation and management involves more than just park-level operations and combating poaching of wildlife; successful wildlife conservation and management programs require strong management systems to ensure the timely availability and efficient usage of financial and human resources. Organizational structure must be clearly understood, with clear lines of authority, reporting and communication established and used. Adequate personnel, financial, and administrative systems must be established without delay. This is of critical importance to new and newly reformed or restructured organizations.

The KWS experience is relevant to all sector assistance programs that rely heavily on donor inputs. One lesson drawn from KWS experience is that overdependence on donor inputs for critical organizational needs should be avoided if at all possible. KWS senior staff believed that key deficiencies in management systems could have been adequately addressed using existing KWS technical and financial resources. However, since management information systems (MIS) and institutional strengthening were identified for donor financing, KWS staff were obliged to wait for the arrival of donor resources. ODA consultants, for example, preferred the installation of a fully integrated MIS using a centralized computer facility and specialized software. The agreement that would provide necessary funding, however, remained unsigned for over two years.

The Finance Department hesitated to set up a low-cost but fully adequate PC based accounting system for KWS since it may not be compatible with whatever system ODA eventually installed. The local donor representatives, too, were in a difficult position since they continued to hope for a speedy resolution of the issues that delayed signature of relevant project agreements. In some cases signature seemed imminent, and KWS was assured that a breakthrough was just around the corner. The continued deferral of the date when funds and other resources would become available prevented the adoption of alternative solutions to pressing organizational problems.

It is crucial that **project required** inputs and **organizational requisites** be clearly distinguished. With or without massive donor funding, KWS as an organization requires effective and fully operational management systems. Management systems may be less sophisticated, complex and hardware dependent than what some donors seem to enjoy funding, but they must be in place and they must work. The massive donor assistance provided under PAWS and related sector assistance projects overwhelmed the modest and largely inexperienced senior management team at KWS. Organizational priorities that might have been handled without the infusion of donor activities were pushed to the side by the magnitude of project related financial and operational requirements. This is not to say that donor assistance was not needed or desired. The wildlife sector needed serious restructuring simply to prevent its continued deterioration. Wildlife losses from poaching and habitat encroachment, the deterioration of park infrastructure, and widespread physical insecurity in and around parks and reserves necessitated strong action and considerable external funding. But the addition of major project responsibilities at a time when the organization still lacked internal management systems acted to further retard rather than facilitate the development of organizational capacity.

### **3.2 Personnel Policies and Incentives**

A cornerstone of the argument supporting the conveyance of the public sector wildlife management and conservation function to a para-public organization was the necessity of exemption from traditional bureaucratic practices and regulations governing personnel recruitment, selection, performance, sanctions, and incentives. Inadequate pay levels, irregular payment of salaries and allowances, poor work conditions, declining material and equipment budgets, and the absence of an effective performance review and merit reward system had produced an intolerable situation characterized by low morale, widespread corruption, excessive and unproductive staff numbers, and an inability to carry out the basic functions of conservation and management of the nation's wildlife resources.

#### **3.2.1 Workforce contraction**

In April 1989, Richard Leakey was named to the position of Director of WCMD with the express political support and backing of the President of the Republic. The Wildlife Conservation and Management Department counted over 5,000 employees, 95% of whom were classified in the two lowest skill grades.<sup>10</sup> By the time of the creation of Kenya Wildlife Service as a parastatal organization in January 1990, a major staff review was underway. A number of senior WCMD staff were retired in the public interest. In 1991, one year after the creation of KWS as a parastatal organization, approximately 1,640 employees of the WCMD were returned to the Ministry and 3,200 employees were offered contracts to work for Kenya Wildlife Service as part of the permanent staff. Staff reductions were mostly concentrated at the lower echelons where the lack of adequate training, supervision, discipline, and incentives had resulted in a demoralized, unproductive and unqualified workforce. Of the 1,640, roughly 200 employees were recommended for termination on various charges including indiscipline and corruption. Most of the 1,640 employees returned to the Ministry were redeployed. Those who were not picked up by another ministry or public agency remained at the Ministry of Tourism and Wildlife

and were being paid from the GOK budget allocation for KWS, according to a senior KWS advisor.

With the substantial reduction of force effected in July 1991, complementary measures were taken to improve performance incentives for the remaining workforce. Salaries were increased at all levels, though they were still below prevailing private sector rates and those in comparable parastatal organizations. More important to many KWS employees, an effort was made to improve field and travel allowances, hardship pay, and medical benefits. While allowances existed under the WCMD, they were rarely paid, according to former WCMD employees. The provision of new uniforms, boots, and better housing conditions was frequently cited by rangers and supervisors as a significant motivating factor for improved performance. At both Headquarters and field levels, staff regularly agreed to work after hours and on some week-ends. Discipline improved and rangers and officers alike commented on the improvement in morale.

### *3.2.2 And expansion*

The personnel reductions undertaken in 1991, however, proved to be of short duration due to substantial levels of new recruitment. By July 1993, the number of full time employees (establishment) reached 4,011. According to the Coopers and Lybrand final report on personnel, staffing levels increased by 9% (326 employees) during the period of their study (February to July 1993) alone! Approximately 800 staff had been hired in the preceding 12 months.<sup>11</sup> As of January 1994, the establishment had risen to include 4,034 employees.

The uncontrolled expansion of employment and consequent increase in payroll and employee related expenditures constitutes a serious threat to the medium and long-term financial sustainability of Kenya Wildlife Service. Unplanned and uncontrolled personnel expansion reflects a failure to link expenditures with revenues in the minds of senior staff, and undermines the ability of KWS to implement its strategy of rewarding improved productivity with performance incentives. The authors of the Coopers & Lybrand personnel report conclude that "should KWS be unable to generate cost savings from improved productivity, including reductions in staff costs and generation of new income, the funding of enhanced pay packages will be dependent on donor support of recurrent expenditure in the medium to long term."<sup>12</sup>

Furthermore, staff recruitment had taken place without reference to the Personnel Department, thereby eroding organizational authority over the personnel function. The inability of this department to exercise effective control over personnel recruitment, hiring and discipline reflects the profound lack of basic management systems at KWS, four years after its creation. There are a number of elements that "explain" the lack of an effective personnel management system at KWS. First, the department of origin (WCMD) did not include a personnel division and hence this capability was not present in the transfer of personnel and skills to KWS. Second, the structure of the multi-donor financial package for KWS under the PAWS project assigned the personnel management and human resources development task to a specific donor, the Overseas Development Administration. ODA was the single largest bilateral donor, and was to contribute an estimated 16% (\$20 million) of total PAWS funding. While PAWS funding became available in 1992, as of July 1994 full funding from ODA had yet to become available due to reasons distinct from its commitment to KWS headquarters strengthening. Nevertheless, senior KWS



staff acknowledge that a personnel management system could have been put into place without ODA or other donor assistance, had this been an organizational priority.

A review of the history of budget decisions and operations to date suggests that the priorities of KWS in the early years emphasized operational matters such as controlling poaching, ending the ivory trade, and weeding out corruption in the major parks and reserves, over organizational strengthening. The development and internalization of organizational management systems - personnel, finance, planning, administration - were not high priorities or at least were not sufficiently compelling to command the attention and resources required for their implementation. While the importance attached to operational over organizational matters may be fully justified, by the time of the crisis in KWS management brought about by public attacks on the KWS director by senior government officials leading to his eventual resignation, KWS as an organization was in crisis. Despite major improvements in KWS revenue collection, the Service was experiencing major cash flow problems. IDA disbursements were stalled at Treasury, key donors had yet to sign on and fund essential aspects of the rehabilitation program, important policy decisions regarding the community wildlife program - a major factor in the criticism leveled at KWS and its director - were on hold, and the internal organization of authority within KWS remained unclear.

### *3.2.3 Performance Incentives*

Perhaps the single most contentious organizational issue confronting KWS was that of compensation and productivity incentives for senior staff. By virtue of its creation as a parastatal, KWS employees were removed from the salary and wage schedules of the traditional public service and placed under a separate schedule established under the State Corporations Act with more advantageous salary and benefit levels. The conditions and terms of employment improved for virtually all employees that made the transfer from WCMD to KWS. Despite highly exaggerated accounts of inflated salaries for KWS employees, a comparison with private firms and other parastatal organizations for a broad range of staff showed that "KWS is some way below the parastatal comparators ... and well below the levels of pay and benefits provided by the private sector comparators."<sup>13</sup>

A comparison between KWS and Ministry of Tourism and Wildlife salary structures is presented in the following table. Data were provided by the KWS Dept. of Personnel and reflect 1993 pay scales. Salaries are annual and in Kenyan pounds. One K£=KSh 20.

**Table 1. Annual Salary by Grade, KWS and Min. of Tourism, in Kenyan pounds**

<b>GRADE</b>	<b>KENYA WILDLIFE SERVICE</b>	<b>MINISTRY OF TOURISM</b>
1	£ 12,906	£ 9,006
2	£ 11,346	£ 7,854
3	£ 9,978	£ 7,098
4	£ 9,006	£ 6,594
5	£ 8,142	£ 5,946
6	£ 7,350	£ 4,770
7	£ 6,594	£ 4,116
8	£ 5,730	£ 3,408
9	£ 4,956	£ 2,820
10	£ 4,116	£ 2,334
11	£ 3,408	£ 1,734
12	£ 2,820	£ 1,446
13	£ 2,334	£ 1,170
14	£ 1,866	£ 972
15	£ 1,170	£ 804
16	£ 1,008	£ 690

As is evident from the table, the percentage increase in salary levels was generally between 40-50% , with a few grades at the lower end of the structure experiencing almost a doubling of base salary. The improvements in direct compensation were particularly meaningful at a time of increasing prices and a weakened national currency and provided a very significant boost to employee morale. Interviews with a wide range of employees at both headquarters and in the field were unanimous in demonstrating the effectiveness of pay increases in improving morale and performance. Supervisory personnel affirmed that productivity had improved markedly, that employees were willing to put in additional hours to complete tasks, and that they showed more pride in their work and loyalty to the organization than had been the case under the WCMD.

Financial incentives were but one of the improvements in work conditions that translated into improved performance in the field. Park rangers, office staff, drivers and senior management all acknowledged the motivating effect of such things as a "clear sense of direction" for the Service, of improved material conditions such as new boots and uniforms, adequate office supplies, and regular payment of salaries and allowances. The funds that went into park infrastructure renovations also raised morale and produced a sense of pride in park staff. Leadership, too, was often cited by those at both extremes of the staff hierarchy as one of the most, if not the most, important factor explaining their devotion to the Service and desire to see KWS succeed as an organization. The first director was widely acknowledged within the Service for his charisma, his commitment to improve wildlife management, concern for all employees - rangers to senior managers - and his ability to "stand up to" the politicians and bureaucrats that were perceived as threats to KWS.



There was also the expectation that salaries would increase for KWS permanent staff following acceptance of the Coopers & Lybrand analysis of remuneration and terms of service. That study presented two options based on an assessment of comparable parastatal, NGO and private sector institutions. The authors recommended collapsing the 16 grade structure into 10, with further reduction in grades in the future. The first option posited a 39% increase in basic pay for the lowest grade and 162% for the highest grade, while under Option B salaries at the lower end would increase by 90% with a 603% increase at the highest level. Salary levels proposed under both options exceed those permitted under the State Corporations Act and would require exemption of KWS from the provisions of the Act regulating compensation. The impact on recurrent expenditures would be significant, especially under Option B where salaries would constitute 94% of total recurrent expenditure at current prices.

KWS employees were expecting salary increases to go into effect on July 1, 1994, based in part on the acceptance of the Coopers & Lybrand report. The increase in salary levels would exceed levels established under the State Corporations Act and would therefore require official exemption from that Act. Exemption was granted on November 2, 1993 and gazetted on the following day. This loosening of strictures on KWS salary and budget authority was short lived, however. On November 22, 1993 the exemption was revoked. The revocation was gazetted on December 24, 1993. In the absence of an exemption to salary limits for parastatals, KWS was not able to accord the promised salary increases.

#### *3.2.4 Contract employees*

There are in essence two major categories of employees at KWS: permanent staff who are compensated according to the salary structure presented in Table 1 above, and contract employees who are hired at salary levels considered to be competitive with those found in the private and NGO sectors. Donor-funded technical assistance contracts were justified on the grounds that high quality managerial and technical staff were essential to the accomplishment of KWS objectives and that salary incentives were required to attract the best candidates. The intention was to provide an infusion of experienced, technically capable specialists for a two year period, after which most would be replaced by the KWS staff that they had "mentored". In a few cases, it was anticipated that the contract employee would be allowed or even encouraged to remain at KWS as a member of the permanent staff and remunerated according to the compensation package provided for their grade. As of October 1993 there were 37 employees on fixed duration contracts under the PAWS project and COBRA.

From the outset, the very substantial disparities in salary levels between permanent staff and contract employees created friction. While permanent staff generally benefited from superior benefits, such as housing and a service vehicle, security of employment, and lower performance expectations, the much higher base salary levels of contract employees were resented. Since most of the contract employees were brought in from "outside" the public sector, there was also a sentiment that the experience and competence of seasoned WCMD senior staff were undervalued. This led in early 1993 to an offer to allow some senior staff members, generally those at and above grade 3, to leave permanent employment status and convert to donor-funded contract

employee status. Performance expectations were to increase along with compensation for those accepting contract status. Return to permanent status was left open. Four or five of those eligible accepted the offer while others were unwilling to end their careers with the public service or to accept higher performance expectations.

The decision to expand the base of contract employees only accentuated the disparities in terms and conditions of employment within KWS, and broadened the ripple effect of discontent to include senior officials from the parent ministry and senior wardens in the major National Parks. While the intent was to reduce dissent by inviting lower paid senior staff to join the ranks of the contract employees, the consequences were more diverse than anticipated. While before, only "new" employees brought in from the private sector or recruited from NGOs were paid at near international rates, now career civil servants were being offered what appeared to be extremely lucrative "deals" by this government owned service to perform similar if not the same functions they would have performed within the traditional bureaucratic structure that preceded KWS. Career civil servants who considered themselves peers or were once colleagues or even superiors of the KWS staff in question could now raise the issue of the need or justification for salary incentives for this one group of employees, who after all remained within the public sector if not the traditional civil service.

Contract approval by the ministry was subjected to substantial delays and a number of contract renewal requests were awaiting resolution for months. Individual contracts became subject to pressure and counter-pressure as donors attempted to secure some permanency for key personnel while Ministry officials put into question the system of contract employment accepted in the terms of the agreement with the World Bank under PAWS. Some contract staff were essentially working without an effective contract, while others continued to perform on the basis of "letters of intent" provided by KWS management.

The decision to provide donor funding for key line positions at compensation levels that reflected international rather than public sector norms provoked enormous controversy, undermined staff morale, contributed to the lack of progress in institutionalizing management systems and organizational practices, and led to increased insecurity of employment that impacted negatively on the performance of the very people thought to be most critical to the success of the organization. Some very qualified people, however, were brought into the organization that may not have been willing to join under terms allowed by the State Corporations Act. Performance levels of contract employees was felt to be high and they by and large made substantial and significant contributions to the success of KWS operations. Their contributions, nevertheless, cannot dispel the unintended but real negative consequences that their employment alongside lesser paid permanent staff has engendered.

Public sector salaries are low, yet the public sector continues to attract highly educated and dedicated employees. Perhaps some skill areas are underrepresented and external recruitment required to meet specific needs. Such cases should be the exception, however, and of limited duration. The State Corporations Act allows for higher salary levels for specific categories of workers, and exemptions may be accorded. This is the strategy KWS had hoped to follow so as to attract needed technical expertise. The exemption, however, was in effect for only a short time

before its withdrawal, leaving KWS in a very uncomfortable position with obligations to contract employees that could no longer be legally met.

### *3.2.5 Measuring the effectiveness of incentives*

While measures were identified and implemented early on to improve work conditions and compensation for employees, little was done to insure that incentive programs obtained the desired results. Job descriptions were generally not available or were not applied as a means of equating qualifications with job requirements and with performance. Performance standards were unclear for most employees. Coopers & Lybrand's job analysis identified "only a very few instances where jobholders could refer to explicit performance standards governing their workload or the quality of work."<sup>14</sup> No systematic performance review system had been established as of June 1994, four and one-half years after the creation of KWS as a parastatal organization with responsibility for its own workforce. Like other deficiencies in management systems, the lack of a performance evaluation system was due in part to the "inheritance" from WCMD which also lacked such a system, and the priority given to action over procedures during the first years of experience.

The lack of a performance evaluation system can have a number of effects. First, it denies the organization the ability to measure, and by so doing to encourage and reward, the productivity of employees. Second, it prevents employees from measuring their own performance against established benchmarks that are known and shared by organizational peers. This strengthens the sense of subjectivity in personnel decisions and may lead to an emphasis on building personal relationships with superiors over the pursuit of organizational objectives. Finally, the lack of a performance review system leaves the organization vulnerable to criticism from both internal and external sources over personnel policy, promotions and salary decisions. In the case of KWS, the lack of a performance evaluation system made it difficult if not impossible to justify higher compensation levels for employees on special contracts.

### **3.3 Financial Sustainability**

The ability of an organization to insure its financial stability is critical to the successful execution of its mandate. This is hardly a novel concept, yet it is often given inadequate attention in the design of public sector and especially parastatal organizations. This is particularly the case when the organization's mandate is of high national and international salience. All too often the urgency of the issue overwhelms objective assessments of long-term financial viability. Strong expression of interest and promises of funding by external sources may also contribute to a loss of realism in financial capability. Similarly, the importance of the mission and its complexity may tend to inflate the program of the agency. That is, the activities undertaken come to exceed what is required to fulfill the effective mandate of the organization. "Mission creep" sets in, with the attendant increase in personnel, facilities, and operating expenses to handle an expanding program. Costs increase without compensating increases in revenue or in the real benefits generated by these expenditures. Adequate revenue capacity and the ability to manage expenditures effectively are co-factors in determining financial stability.



The establishment of a parastatal often, though not necessarily, implies that partial or total self-financing is expected. In some cases, such as for national revenue agencies or public utilities, this may be possible. In the area of natural resources management and the environment, however, it is more difficult. Whereas utilities and tax services can essentially transfer the costs of their operations to rate and taxpayers, an environmental service agency such as KWS has a less direct relationship with service beneficiaries. Indeed, who are the beneficiaries of improved wildlife conservation and management? The fauna, presumably, and the tourist industry definitely benefit. The national treasury benefits as well since wildlife related business generates further economic activity and tax revenue. Landholders and local populations in wildlife dispersal areas should also benefit from improved conservation and management if they are able to tap into the revenue stream generated from wildlife tourism and utilization. At this point KWS is incurring substantial costs to establish a successful Community Wildlife Program that will lead to clear benefits for local people. Other potential beneficiaries are found outside of Kenya's boundaries, in that theoretically at least we all benefit from the maintenance and conservation of species biodiversity. While this exercise in beneficiary identification could undoubtedly continue, the point is already clear. From a revenue mobilization standpoint, KWS depends and will continue to depend heavily on tourism. Subsidies from government and loans and grants from international donors constitute other potential but less certain sources of revenue.

### *3.3.1 Revenue mobilization and management*

KWS has three major sources of funding: gate receipts and related user fees and charges, budgetary transfers from the national treasury, and donor assistance. KWS has made impressive improvements in both the rate of collection and the volume of revenues generated from entrance fees. While it is difficult to estimate accurately the loss of receipts due to fraud at the point of collection or in the revenue administration system, National Park staff estimated that 50% or more of gate receipts never made it to the national treasury before the creation of KWS. Following the imposition of strict discipline, the removal of employees known to be corrupt, and changes in the fee instruments used, collections improved dramatically. Nevertheless, it is thought that between 20 and 25% of gate receipts continue to escape KWS controls.

While tourist numbers have fluctuated since KWS came into existence, gate revenues have continued to rise. Despite a drop of 31% in visitor numbers from 1990/91 - 1992/93 (1.4 million to 0.96 million), revenues have increased each year. "The 1992/1993 twelve months period reveals a 78% increase over 1991/92 and 109% over 1990/91. The increases resulted from improved control of gate collections and increase of entry fees to Parks and Reserves."<sup>15</sup>

Entrance fees to National Parks were set at KSh 20 or approximately \$2.40 per adult visitor in the 1976 Wildlife Act. At some point, a distinction was made between resident and non-resident visitors and the fee for the latter raised to KSh 30. Fee levels remained stagnant for many years before being increased to KSh 80, approximately \$4.45, for non-residents in 1988. The following year non-resident fees were increased to KSh 200, and then to KSh 220 the following year. In December 1991, non-resident entrance fees to National Parks were raised to KSh 450 and then

to KSh 540 or \$15 twelve months later. With the devaluation of the Kenyan Shilling by almost 50% in May 1993, KWS raised the entrance fee to KSh 900. With the liberalization of foreign exchange regulations, KWS began to collect the entrance fee in US dollars, and by June 1994 the rate was set at \$20 for adult non-resident visitors.

Entrance fee levels are already as high as they will likely go before cutting into attendance levels. They are now in line with fee levels in competing markets in the region. Any increase in revenues will be due to (1) increased numbers of visitors and (2) increase in average length of stay. The first factor is difficult to influence by KWS actions, but is very susceptible to factors such as political instability, negative press attention, change in tourist interests, and downturn in the economies of countries of origin. The second factor may be amenable to some improvement if KWS and its collaborators in the tourist industry are able to provide inducements to tourists to prolong their stay despite the high cost of lodging and the additional cost for Park entrance fees.

A number of factors complicate attempts to reduce losses, the most important of which is the multiplicity of fee instruments and collection systems in use. Vouchers used by agencies bringing tourists into the Parks and Reserves are readily counterfeited. For a payment, fee collectors at the entrance gates may be convinced to undercount the number of occupants in a vehicle, or report them as national rather than international visitors on the form while collecting the much higher fee paid by foreign tourists. The increase in fee rates to \$20 for foreigners increases the incentives for corruption, while also contributing to the increase in total gate receipts.

Gate receipts and other internally generated revenues account for approximately 50% of operating expenditures. GOK contributions covered almost 30% of operating expenses in 1990/91 and then declined regularly both in absolute terms and relative to total expenditures to less than four percent anticipated for fiscal year 1995. Donor contributions are expected to increase from approximately one-third of expenditures in 1991/92 to roughly 40% for 1994/95, according to KWS budget data.<sup>16</sup> World Bank estimates at the time PAWS was designed anticipated a decrease in donor support in both absolute and relative terms beginning in the fourth year of the project, i.e. fiscal year 1994/95.

The economic analysis provided in the PAWS design projected modest surpluses during the life of the project, resulting in the building up of reserves of approximately \$6 million by 1995/96. These projections included substantial increases in two revenue bases that have since failed to be realized as hoped. Lodge rents were expected to increase from \$318,000 in 1991/92 to \$838,000 in 1992/93, \$1,481,000 in 1993/94 and then level out at \$1,722,000 from 1994/95 on. The second revenue item that was anticipated to produce significant revenue was commercial activities. The financial projections provided in the PAWS design anticipated commercial revenues growing from \$82,000 in 1991/92 to \$3,081,000 by 1995/96 and continuing to increase to over \$8 million per year by the end of the decade. This would make these new sources of revenue second in importance after entrance fees.

Actual revenue performance has been less impressive for these two items. Lodge rents have proven difficult to increase since leaseholders are not legally required to renegotiate before the end of their existing contract. Some lodges have accepted to establish new leases, often due to

plans to add to or renovate existing facilities. Since lodge leases have sometimes involved powerful politicians and well-connected business interests, KWS has encountered substantial opposition in its attempt to review and renegotiate existing leases. According to the 1992/93 KWS Annual Report, "[t]he inheritance of poorly negotiated and drawn leases from the Government Department [WCMD] presents KWS with the biggest setback" to increasing lease revenues.<sup>17</sup>

In the case of new revenue sources from commercial activities, little had been realized by mid-1994 due to the long delay in hiring a Commercial Manager. As mentioned earlier in this report, some question has been raised as to whether KWS is authorized to engage in commercial activities. The government initiated "probe" of KWS pointedly raised this matter and concluded that KWS is acting outside of its legal sphere of action by engaging in commercial ventures. While the probe was generally perceived as a political move by senior government officials intended to insure the ouster of the Chief Executive Officer, the fact that the legality of this critical source of funding has been raised publicly places the future of the commercial program in question.

The legal issue itself is at best unclear. The right to engage in commercial activities is not one of the functions explicitly assigned to KWS under the 1989 amendment. It is unknown, however, if the absence of reference to commercial activities was intentional or simply an oversight. In any case, explicit reference exists in the 1976 Wildlife Act. Section 3(3) states, "In order to secure optimum financial returns from the economic gains incidental but not prejudicial to proper wildlife management and conservation, the Service may engage in such commercial activities either alone or in conjunction with other persons for the effective utilization of wildlife resources, as the Minister after consultation with the Treasury, may approve." The amended Wildlife Act lists 12 functions of the newly created service under subsection 3A of the new Section 3. Only function (k) relates to financial matters, and does not make reference to commercial activities. This section reads, "(k) solicit by public appeal or otherwise, and accept and receive subscriptions, donations, devises and bequests (whether movable or immovable property and whether absolute or conditional) for the general or special purposes of the Service or subject to any trust."

At the very least, further delays can be anticipated before any significant revenue is realized from commercial activities. Formal authorization to engage in commercial ventures must be received. KWS will need to undertake substantial market research to develop a feasible strategy to increase visitor spending and commercial revenues prior to launching into major investments in visitor centers and other park facilities or consumer products. Without the anticipated infusion of funds from commercial ventures and the peaking out of other internally generated revenue sources at 1994/95 levels, KWS may be unable to attain its objective of financial sufficiency without continued donor support and/or government subsidy.

A further constraint to revenue generation and management is posed by the lack of control over some charges and fees. While the KWS Director and the Board of Trustees were vested with substantial authority over budget and revenue matters, the ministry retains specific authorities and related functions that are of considerable consequence to the effective operation and performance of KWS. Due to shortcomings in the amendment to the Wildlife Act, the Minister retains authority to issue some permits and licenses. With the creation of a parastatal body responsible



for wildlife conservation and management, the authority to issue all permits and licenses should be vested in the Service and its Board of Trustees.

### *3.3.2 Expenditure management*

The other side of the financial sustainability equation is the ability of KWS effectively to contain expenditures. With the planned withdrawal of government subsidies and the gradual decline in donor support for operational expenses, KWS will be forced to work hard on both revenue enhancement and cost containment. There is reason to question whether KWS will be able to practice effective expenditure management, given current trends in the expansion of the workforce detailed in section 3.2.2 above.

Another factor limiting KWS's ability to contain costs relative to revenues has to do with the relative inelasticity and lack of buoyancy of revenue bases and the susceptibility to domestic inflation and fluctuating currency values. Entrance fees have reached what is considered to be the high point for the foreseeable future. Lodge leases are long-term agreements and have in the past been tied to flat rates for occupancy levels. Leases now being offered by KWS are based on percentage agreements on gross lodge revenues which will allow KWS to capture some of the benefits of increased Park visitation. Costs however are more susceptible to inflation and currency fluctuation.

Expenditure management is further complicated by the lack of an adequate accounting system. As discussed above, the financial accounting system is not fully computerized nor is it integrated with management information such as annual plans and production targets. At present, it is impossible to disaggregate cost centers in such a way as to determine the costs of specific programs and activities, such as nonprofit operations (scientific research, wildlife education) and those carried out in and around protected areas not under direct KWS management.

The importance of this latter point is that KWS currently undertakes a variety of actions in support of wildlife and the protection of human and animal populations in areas managed by County Councils and from which no revenue is derived. This is most obviously the case in the Maasai Mara which is managed by Narok County Council. Due to the inability of Reserve staff and the County Council to reduce poaching and protect tourists in the Mara, the Government instructed KWS to organize a security operation. In 1992, KWS furnished one-half the security force of 120 agents with the rest drawn from other national paramilitary corps. As of 1994, KWS had reduced its security force in the Mara to 40 agents and provided training for 40 wildlife guards provided by Narok County Council. KWS maintains an additional 55 Rangers and four Wardens throughout the district.

While KWS receives none of the revenue generated from the wildlife tourism in and around the Mara, when wildlife causes damage to farmers' fields KWS employees are expected to respond. It was interesting to observe the changing ownership and responsibility for wildlife based on the function it performed. In an interview with the Chairman and other senior Narok County Council officials, the Chairman explained that Narok County had managed the National Reserve very well for many years and had no need of KWS, just as it had had no need of its predecessor, WCMD.

The distrust of central government agencies is high. As the Chairman stated, "The reason we are against Dr. Leakey is that he wants to take the Mara away from the Council." When wildlife is not making money, however, it belongs to KWS. The Chairman later explained that people were hungry in Narok because KWS elephants and buffalo were tearing up maize fields. KWS, he opined, should do a better job controlling its animals and should compensate farmers for the damages sustained.

The loss of control over both reported and unreported revenues would be a serious blow to the County Council and those who profit indirectly from their involvement with Reserve operations. Gate receipts from the National Reserve constitute over 90% of annual revenue for the County. The point of this rather prolonged example is that KWS is required to incur substantial costs for wildlife conservation and management activities in areas where it is not able to generate revenues. Narok is not the only region where this problem exists, though it may well be one of the more excessive. One way of assuring better cost management is by establishing cost centers that would permit accurate projection and monitoring of expenditures in these areas. Eventually, it may even be possible to recover some of these costs through billing and/or negotiating with the local authorities.

### **3.4 Public Relations and Information as Organizational Assets**

One of the more surprising organizational deficiencies within the Kenya Wildlife Service is the lack of a senior post responsible for public relations. Despite the organization's responsibility for public education on wildlife conservation and management, the manifold and complex interactions with local populations, local authorities, and governmental entities at all levels, and the obvious interest in and need to market wildlife related tourism as a means of increasing self-financing capability, KWS as an organization had no institutionalized means of getting its message out. Since KWS was not actively projecting an image of its choosing or disseminating the information it wished to communicate to its various publics, the national and international news media, politicians, and supporters and opponents were free to do so. The failure to control its corporate image allowed others to do so for their own purposes.

KWS did, of course, receive substantial press coverage. A review of press stories in international and national newspapers clearly revealed a particularly unfortunate tendency to confuse the organization with the personal actions, opinions and image of the Chief Executive Officer. Indeed, to many people Richard Leakey was KWS. Rarely were other senior officers referred to by name, nor was KWS presented as an organization with clearly defined programs and an institutional identity of its own. While this may be acceptable for a private business or foundation, it created unique and ultimately very damaging problems for a public sector agency. The more Leakey was lionized in the international press, and national news media quoted these articles, the more the image of the organization became subsumed by the image of the Director. Discussions with past and current senior government officials suggested that many of these officials took Leakey's high profile as the "savior" of wildlife in Kenya as an indirect accusation of the inefficiency and incompetence of the public service. One former official in the ministry responsible for wildlife a number of years ago became quite vehement in protesting that "we [the public service] could have done just as good a job if we had been given the resources Leakey has received."

The factuality of such statements is less important than the fact that they represent a very definite perception held by at least some influential members of the public. When the interests and actions of KWS came into conflict with those of powerful politicians such as Minister of Local Government William Ntimama, personal attacks on decisions made by Leakey and on KWS performance increased. Opponents met with local communities and with the press and were essentially free to make whatever claims they wished. KWS had failed to educate the public regarding its mission, objectives, activities, and accomplishments.

Since there was no other known spokesperson for KWS, any statement released by KWS to correct inaccuracies in published accounts or to provide specific information was seen as coming from Leakey in self-defense against his accusers. KWS as an organization and its senior management team were all hostage to the outcome of the political contest between the Director and high government officials. Eventually Leakey offered his resignation, returned briefly after receiving support from President Moi, and then resigned definitively. His absence left KWS in disarray, without a designated deputy accepted by senior managers and the Board of Trustees, and uncertain as to the fate of the organization. The successful ousting of Leakey also led some to believe that KWS as an organization had lost some of its authority. Poaching levels reportedly increased and opposition to KWS policies continued.

Communication is also crucial within the organization if common values, priorities, and commitments are to be developed and maintained. As a new organization, KWS was in a position of defining its own corporate culture and of fixing its own image in the perception of employees and the public in general. While specific comments and positions taken by Dr. Leakey were often known throughout the organization, KWS policies and programs were only vaguely understood outside the circle of managers responsible for implementation. The failure to communicate clearly and adequately at all levels within the organization hampered the institutionalization of critical programs like the Community Wildlife Program and allowed for confusion in areas such as personnel policies regarding promotion, wage increases, and the status of contract employees.

#### **4. CONCLUSIONS**

This assessment of the first four years of KWS experience as a parastatal organization has focused on institutional and organizational factors effecting KWS performance. The magnifying glass was turned upon the organization itself rather than on the important and equally fascinating facets of the context in which KWS operates. Specifically, little attention was paid in this study to the highly experimental and problem-ridden initiatives to change the behavior of those who live in proximity to wildlife that are being implemented under the Community Wildlife Program. Nor does this analysis take up the issue of relations with local authorities and specific local communities, despite the centrality of these issues to the long-term viability of the National Park and Reserve system and to wildlife populations throughout Kenya.



The purpose of this analysis was to pull out key lessons learned from Kenya's experience of transferring the wildlife conservation and management function from a traditional bureaucratic line agency of government to a semi-autonomous parastatal structure with considerable authority and managerial independence. While the preceding analysis is in no way to be construed as an evaluation of KWS as an organization, it is fair and fully accurate to state that the experience to date suggests that this experiment in organizational redesign has been largely successful. Poaching decreased precipitously after the creation of KWS, revenue performance has improved on virtually all measures, and there appears to be every reason to believe that the organization will continue to carry out its mandate despite political vicissitudes and the likelihood of prolonged dependence on external budgetary support.

#### **4.1 Lessons Learned: a summary**

The experiences of Kenya Wildlife Service as a parastatal organization are far from over. In the future we may be able to draw more definitive and comprehensive conclusions regarding the advantages and shortcomings of this institutional innovation in public sector management of natural resources. For the time being, we can make some tentative conclusions regarding important factors affecting the performance of parastatal organizations by drawing on the experience of KWS during the first four years of its history.

It is crucial at the design stage to determine the appropriate degree of institutional authority and autonomy in correspondence with organizational objectives and mandate. The substance and organizational form of authority, oversight and autonomy should be specified and codified in the constituting texts.

The distinction between **project** objectives and requirements and **organizational** objectives and requirements must be maintained, and *priority given to the accomplishment of the latter*. A weak organization cannot successfully implement a major project, especially of the scale of that undertaken by KWS, without undermining internal organizational strengthening.

Management systems must be put into place at the very outset. Personnel administration and financial management systems need not be complex or highly sophisticated to be effective. Management systems can be upgraded as the organization gains experience and is able to prioritize information and management needs.

Financial capacity will seriously effect organizational performance. To enhance financial sustainability, a parastatal organization must have substantial, if not total, control over its internal revenue bases and the administrative procedures which govern obtaining, expending, and budgeting of funds.

The ability and discipline to limit expenditures in keeping with revenues and organizational priorities is a crucial determinant of financial sustainability. This will require conscious attention to attempts both from within and outside the organization to broaden the organization's mandate without a corresponding increase in organizational resources.

Recruitment of personnel must be based on organizational plans and must correspond to organization priorities and financial capacity.

If compensation is to be based on productivity, performance evaluation systems must be put into place and used consistently and objectively. Performance standards for different positions must be clear and understood so that employees are able to evaluate their own performance.

While it may prove necessary to offer special incentives to attract personnel with specific skill types and levels, the establishment of multiple status and levels of compensation for employees with similar responsibilities and authority is to be avoided. When it is found to be necessary to exceed the parastatal norms for salary levels, authorization should be obtained from the responsible authority especially if the employee in question is to occupy a permanent line position. The resulting contract should be specific as to duration, the possibility and procedure for renewal, and the total compensation package agreed upon. Contracts of this type should be treated as technical assistance inputs of fixed and limited duration. Conversion to full-time permanent employment status after the end of the contract should not be offered except in exceptional circumstances.

Superior terms and conditions of service require superior performance. To insure that the organization receives value for its money, recruitment should be thorough and compensation levels should be based on proven salary history and market conditions. The job description should be detailed and specific performance standards provided to the employee. Performance evaluation should be mandatory.

Public information and education is crucial, both within the organization and with outside publics. The organization must take care to create its own image and to broadcast it effectively to stakeholders and key constituencies. Public officials, politicians and others must understand what you are doing if they are to support your efforts.

Parastatal organizations operate in a very specific political context and do not share the relative immunity and anonymity of traditional line agencies. Political interference and attempts to control or manipulate parastatal policies or programs are a certainty, and must be planned for. Again, the role of public relations is essential in negating misinformation and building support among key constituencies. These constituencies include other government agencies with which the parastatal comes into frequent and regular contact, politicians both nationally and locally, local authorities, local populations, and financing agencies.

The specificity of parastatal operation, that is, the difference between a traditional public sector line agency and a parastatal operating under private sector conditions, must be clear within the organization. This is particularly important regarding the linkage between revenue and expenditures.



ENDNOTES

<sup>1</sup> Reprinted in Robert Bensted-Smith. "Case Study for IUCN on Kenya Wildlife Service Protected Areas and Wildlife Service Project." draft, July 16, 1993.

<sup>2</sup> While the full title of the legislation governing wildlife matters is officially "The Wildlife (Conservation and Management) Act," henceforth in this report it will be referred to as the Wildlife Act or by its full title minus parentheses.

<sup>3</sup> Section 3A of 1989 Wildlife Act Amendment.

<sup>4</sup> "Report of Workshop on Forestry Department/KWS Memorandum of Understanding for Headquarters Staff," 13 October, 1992.

<sup>5</sup> "Nasolot National Reserve. An Agreement between Kenya Wildlife Service and County Council of Pokot for the Management of Nasolot National Reserve," page 3.

<sup>6</sup> Conservation of Biodiverse Resource Areas (COBRA) Project Paper, pg. 79.

<sup>7</sup> "Revenue Sharing and Revenue Generation around Amboseli National Park & Maasai Mara National Reserve", Appendix 1 of the Zebra Book, pg. 133. See also, W.K. Lindsay, "Integrating parks and pastoralists: some lessons from Amboseli", in Conservation in Africa. People, policies and practice, David Anderson and Richard Grove, eds., pgs.149-167.

<sup>8</sup> Coopers & Lybrand, "KWS Job evaluation, remuneration structuring and terms of service review," Final report. October 1993, pg. 10.

<sup>9</sup> Data provided by KWS finance section.

<sup>10</sup> COBRA Project Paper, pg. 94. A World Bank document makes reference to the five lowest grades.

<sup>11</sup> Coopers & Lybrand, "KWS Job evaluation, remuneration structuring and terms of service review," Final report. October 1993, p.45.

<sup>12</sup> Same, pg. 46.

<sup>13</sup> Coopers & Lybrand, pg. 51

<sup>14</sup> Coopers & Lybrand, pg. 12.

<sup>15</sup> KWS Annual Progress Report (1 July 1992 - 30 June 1993), pg. 19.

<sup>16</sup> Data provided by Finance Department, KWS.

<sup>17</sup> KWS Annual Progress Report (1 July 1992 - 30 June 1993), pg. 19.



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