What are the costs of MPAs?

What are the financing needs?

What constitutes the basis for building a diverse and sustainable financial portfolio?

**DIRECT OPERATIONAL COSTS**
Cash expenditures on:
- Infrastructure,
- equipment, staffing, patrolling, research, maintenance, etc.

**INDIRECT & OPPORTUNITY COSTS**
Loss of production and consumption opportunities:
- Congestion, disruption, fishing, other resource uses, damaging exploitation techniques, access, alternative investments

What are MPA financing needs?

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50,000</td>
<td>For example … Kisite-Mpunguti MPA</td>
</tr>
<tr>
<td>$100,000</td>
<td>KWS Business, Unmet Cost Gap</td>
</tr>
<tr>
<td>$150,000</td>
<td>KWS Business, Net economic losses to villages</td>
</tr>
<tr>
<td>$200,000</td>
<td>KWS Business, Zero cost contribution from business</td>
</tr>
<tr>
<td>$1,500,000</td>
<td>KWS Business, Minimal private sector engagement</td>
</tr>
</tbody>
</table>

How financial problems translate into management constraints

- **State budget constraints**
  - Net economic losses to villages
  - Zero cost contribution from business

- **MPA management**
  - Low local-level support
  - Minimal private sector engagement

- **KWS Shimoni**
  - Unable to fund basic park management
  - Local communities excluded from, and hostile towards, the way in which park is managed and used
  - Private sector has little role or responsibility in park management and marine conservation
What is a diverse and sustainable financial portfolio for MPAs?

- Increasing, diversifying and retaining MPA funding
- Using valuation to determine fair payments for rewarding MPA benefits generated
- But equally importantly it means …
  - Balancing the full range of MPA costs
  - Targeting the full range of cost-bearers and benefit-providers
  - Diversifying the financial beneficiaries
  - Diversifying the payments made and mechanisms for benefit generation