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Resilient nations.*

Tourism Concessions in Protected Natural Areas

Guidelines for Managers

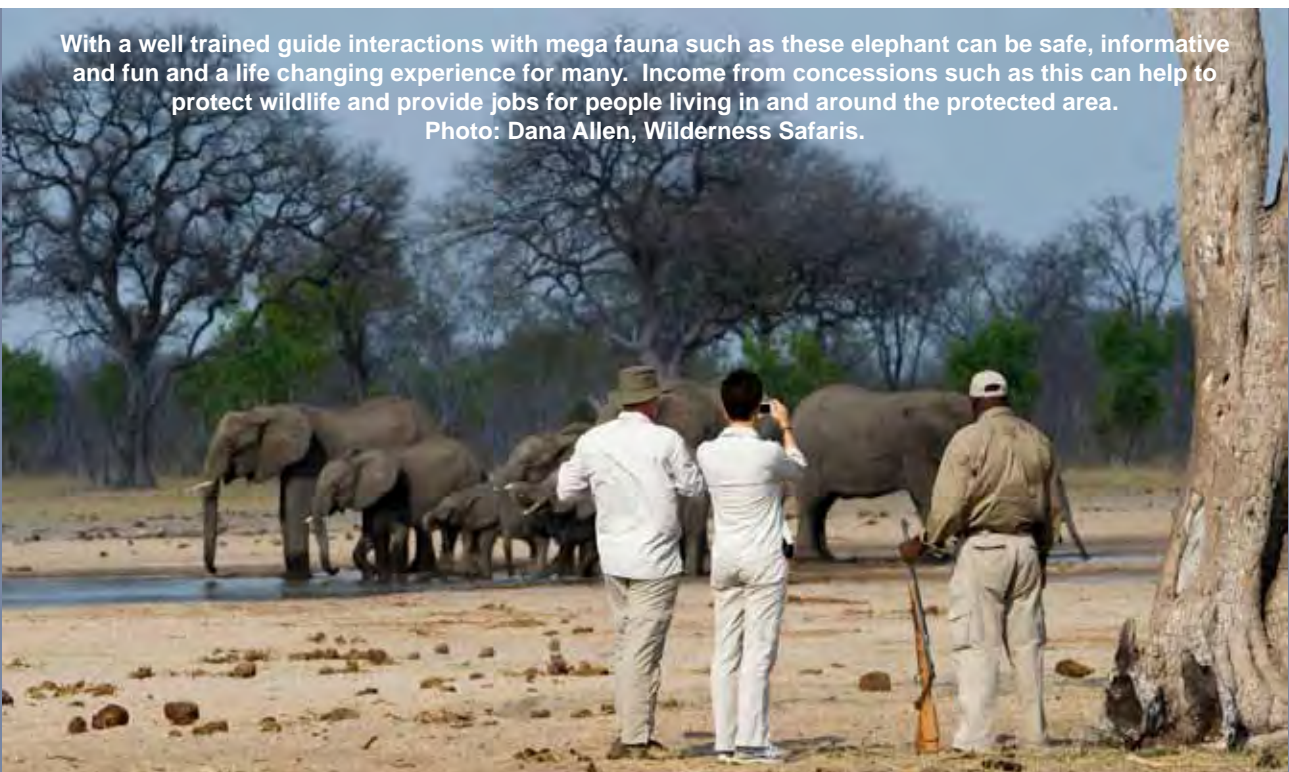


The majestic Ahwahnee Hotel in Yosemite National Park. Photo: Lora Uhlman, USNPS



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With a well trained guide interactions with mega fauna such as these elephant can be safe, informative and fun and a life changing experience for many. Income from concessions such as this can help to protect wildlife and provide jobs for people living in and around the protected area.
 Photo: Dana Allen, Wilderness Safaris.



Tourism Concessions in Protected Natural Areas: Guidelines for Managers

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UNDP partners with people at all levels of society to help build nations that can withstand crisis, and drive and sustain the kind of growth that improves the quality of life for everyone. On the ground in more than 170 countries and territories, we offer global perspective and local insight to help empower lives and build resilient nations.

Acknowledgements

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This book is the result of dedicated work by many people. Experienced concession practitioners within various park agencies around the world, protected area concession specialists and concessionaires freely provided information, case studies, tools, photos, and reviewed the publication.

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I have always been a bit of a Mowgli. Not raised by wolves in a cave or talking with animals, but wildlife has consistently been an essential part of my life. I grew up in the Western Ghats in south west India. It is now designated a biodiversity hotspot. Deservedly. Bengal tigers, leopards, Asian elephants, gaur (one tonne buffalo) and many other amazing animals; these were my childhood neighbours. And they live there still. I have since had the privilege of spending over 20 years of my working life in Asia and Africa. Magnificent national parks and nature reserves were, and are still, always very close. Disappearing into the “bush” is an important part of my life. Birds of paradise in the remote highland forests of Papua New Guinea, that aching beauty of seemingly boundless expanses of savannah in Tanzania, wild and craggy coasts in South Africa with Southern Right whales lolling within a stone’s throw - these are just some of the unique places and environments on earth I have seen and they draw many visitors each year; people from all walks of life, ages and nationalities and with many motives.

Wildlife, people, landscape and places are what comprise an environment. And that is the magical lure. Hiking, bird watching, safaris, visiting communities learning about their cultures, or just being in the solitude of nature staring at the crackle and glow of a camp fire while a lion nearby starts its coughing roar – there really is a multitude of ways to enjoy these special places.

Many of these life-inspiring opportunities are granted as tourism concessions by park authorities to private sector companies, associations and communities. By having the privilege of operating tourism establishments and activities, based on contracts, concessionaires ensure provision of lifetime memory experiences to visitors, direct benefits to frequently under-funded park management, biodiversity conservation, “cash to communities” and of course profit for the private sector. Concessions provide a formula for a win-win-win scenario. Happy visitors, quality experience, jobs and incomes and thriving natural assets.

Simply stated, properly managed concessions can make the wonders of the world even more wonderful! Let’s look at Namibia as one example. Here tourism concessions offer viable tools for poverty alleviation and local and national development. Communities residing within and adjacent to parks are granted concession rights to establish camps, lodges and tourism activity operations. They are also supported by experienced and conscientious private sector partners, to realise quality tourism products. In addition to local procurement for food ingredients, crafts and materials, communities are also empowered to become future owners, managers and service providers for the operation. Revenues from concessions not only directly support park management but also increase community income and employment, empower women and give the young people a chance to meet people from many nations, exchange thoughts and conversation and expand everybody’s horizons.

Namibia’s experiences demonstrate that tourism concessions in protected natural areas are a remarkably viable tool for poverty alleviation and can help local communities benefit from all that protected natural areas have to offer.

UNDP has recognised the power of nature and its combination with people for mutual success. Under our strategic objective of supporting sustainable development pathways avoiding depletion of social and natural capital, towards the global sustainable development goals, UNDP is making significant investments in biodiversity conservation and ecosystem management work. At UNDP, we have a large portfolio of protected area strengthening projects in over 100 countries worldwide. These are financed by the Global Environment Facility (GEF) and many other bilateral partners and foundations. In many of these projects, we promote development of a robust protected area tourism concession system and/or individual concessions, as a mechanism for strengthening protected areas, increasing financing for protected area management and for achieving sustainable, inclusive and equitable development. Run effectively, protected area concessions represent public-private partnerships that can increase employment and livelihood opportunities in a sustainable and inclusive manner. It is good business.

This book is a joint effort with the New Zealand Department of Conservation, Mongolia's Ministry of Environment and Green Development and the United States National Parks Service, with valuable case studies from many countries in particular Namibia's Ministry of Environment and Tourism's admirable work on its robust concession mechanism. It is a jam-packed collection of knowledge, lessons, experiences, documenting the know-how which many park agencies around the world have tried, tested and learned from - a manifestation of the south-south cooperation and north-south-south triangular cooperation philosophy which UNDP promotes.

Please join our world community of practice - towards the common goal of establishing the effective global protected area network as the cornerstone of biodiversity conservation, and as an extremely powerful engine for development.



Nik Sekhran

Nik Sekhran

Director of Sustainable Development
Bureau for Policy and Programme Support
United Nations Development Programme



Katmai Air, a division of the park's primary concessioner, Katmailand, Inc., brings visitors to many locations within Katmai National Park and Preserve. Brooks Camp is one of the most popular locations in the park and can only be reached by boat or float plane. Katmai Air offers scheduled service to Brooks Camp during the busy summer season. This unique experience offers visitors a bird's eye view of the park's spectacular landscape and memories to last a lifetime. Photo: Anna Sammer, USNPS.



IMPORTANT NOTICE

**Please take note that you are now entering a
PRIVATE CONCESSION
(CONCESSION AREA No. 1 - KUNENE REGION)
and entry is valid by permit only.**

**Permits can be obtained at the Palmwag Lodge and the
Twee Palms, Aub and Elephant Song gates respectively
before entry into the area.**

Concession Permit Price List per day:

**Vehicles: N\$ 70.00 per vehicle (under 3 Tons)
N\$ 250.00 per vehicle (over 5 Tons)**

Persons: N\$ 30.00 per person

Overnight: N\$ 70.00 per person

The Concession area boundaries are:

North: the northern bank of the Hoanib River

West: Skeleton Coast Park Boundary

East: road D3706 to Sesfontein

South: road D3245 to Springbokwasser

BY ORDER: PALMWAG MANAGEMENT : Tel. (067) 697 012

Notice of a private concession area in the Kunene region, northern Namibia. Tourism and concession planning in this region identified a number of new business opportunities that could be accommodated in these large exclusive areas.

Despite significant progress in recent years, the scale of the global conservation job remains significant, and is certainly larger than protected area agencies can achieve alone. To be successful, conservation needs to become more mainstream and not just the domain of rangers and other protected area staff. One way for protected area agencies to extend their conservation influence is to work with partners, communities and business. By looking for opportunities to work with concessionaires, agencies can do more for conservation and visitors to their protected areas and help produce a range of financial, economic and social benefits, all of which will help to make conservation more viable in the long term. This publication will assist protected area staff to plan for, allocate and manage concession activities to maximize the benefits of working with the private sector.

This guide has been written and reviewed by experienced concession practitioners for protected area agency managers, planners, and staff, for local communities who live around protected areas and for concessionaires who run their businesses in protected areas. These are the people who work daily to protect natural areas and provide opportunities for visitors to enjoy, learn about and appreciate them. Concession staff in particular work to balance use and conservation, and to improve the financial position of their protected areas so that more conservation work can be done, generally by working with concession operators to generate the social and economic benefits that protected areas can provide. Producing all of these outcomes is a big task and agencies need to be well-equipped to achieve them. This guide provides knowledge, information and tools to assist protected area agencies to develop robust concession systems.

In some countries, concession management in protected areas is very big business involving millions of dollars of revenue and hundreds of protected area staff. In other countries it is a much smaller business but no less important as, for example, even one job provided by a concessionaire in a rural setting can help feed a number of other people and reduce wildlife poaching. So, the other focus of this publication is to describe how concessions are managed in a variety of countries. Numerous case studies are provided, including from the USA, Australia, New Zealand, Namibia, Mozambique, the Galapagos Islands (Ecuador) and Mongolia. While all protected area agencies have some aspects in common, there are always different ways of doing things and it is hoped that this publication will enable agencies to learn from each other, benchmark their practices and borrow good ideas. To help this process, each chapter has a tools section and a number of these tools are provided in the publication's on-line Appendix www.undp.org/content/undp/en/home/librarypage/environment-energy/ecosystems_and_biodiversity/tourism-concessions-in-protected-natural-areas

Despite there being many publications on protected areas, planning and financing, science, species management, visitor management, tourism, pro-poor tourism and so on, there is little formal literature on concession management, which is where these topics tend to converge. This publication brings these themes together for protected area agency staff.

Chapter one introduces the concept of concession management as a system that can be shaped and designed, with the flexibility to achieve many outcomes for conservation, the economy and for communities living in or around protected areas. The challenge for managers, ministers and law makers is to be clear on exactly what objectives they want to achieve and then shape the law, regulations and policy accordingly.

Chapter Two specifically addresses the challenge of working in developing countries and the important role that concessions can play in helping communities live with and benefit from conservation. While there are challenges in developing countries, there is also considerable innovation, so this chapter and the case studies from these countries may provide approaches that can apply in all situations.

Other chapters focus on establishing and improving the systems and processes needed to continuously deliver good results. These include Chapter Three: Planning, Chapter Four: Environmental impact assessment, Chapter Five: Awarding business opportunities, Chapter Six: Doing the deal, Chapter Seven:

Monitoring performance in the field, Chapter Eight: Managing the business and Chapter Nine: Building the capability and capacity of concession staff—one of the most overlooked components of any concession system.

Chapter Eleven provides a concessionaire's perspective on concessions and what it is like to work with protected area agencies. It provides insights into what protected area agencies can do to work more effectively with the private sector.

The remaining chapters are focused on the outcomes that concessions produce. Chapter Two discusses the importance of poverty alleviation and conservation and how concessions can help. Chapter Ten focuses on the role of concession operators, who can help create long-term support for conservation. Finally, the economic, conservation and social outcomes that stem from concessions are the focus of Chapter Twelve.

What is a concession?

Almost every country has a different definition of what is and is not a concession. In this publication, a concession is defined as 'a lease, licence, easement or permit for an operation undertaken by any party other than the protected area agency'. A concession may be awarded via a number of processes including auction, tender, expressions of interest, direct award to an affected community, or in response to an unsolicited application. It may be issued for a term of one day for a one-off filming job, five years for a guiding contract for river rafting or 30–40 years for the building and operation of a hotel or luxury safari camp. Concession activities include a wide range of visitor services such as guided walks, climbs, 4x4 driving, hunting, fishing, biking, kayaking and canoeing, rafting and caving. Concessions also cover many other activities including ski fields, bungee jumping accommodation facilities, water, air or land transport services, commercial education/instruction, shops, tearooms, restaurants and equipment hire, sporting events and filming. This publication focuses primarily on tourism concessions; however, the same processes and principles can be used to manage concessions for stock grazing, telecommunication facilities, marine mammal viewing, beehives, gravel extraction etc. Some of these other resource use activities are specifically discussed in Chapter Eight.

Why should protected area agencies have concessions?

Visitor services are provided in protected areas to foster use that is compatible with conservation as well as enjoyment and appreciation of these areas. Visitor services may be provided by protected area agency staff, profit-making companies, not-for-profit companies or communities. Outsourcing the provision of visitor services to the private sector works on the assumption that they will operate efficiently and provide high-quality, responsive visitor services. The benefits that well-run concessions offer protected areas can include:

1. Ensuring development is in keeping with a protected area's core purpose of conservation.
2. Providing additional visitor services that the protected area agency could not otherwise afford to provide.
3. Extending the range of visitor opportunities to a broader audience and complementing services provided by the agency.
4. Providing income for the agency to reinvest in conservation or visitor service programmes.
5. Helping visitors to learn about and appreciate a particular protected area and conservation more generally and in so doing gain further support for wider conservation initiatives.
6. Marketing and promoting protected areas as a destination for visitors.
7. Providing extra 'eyes and ears' in protected areas that can help reduce activities such as wildlife poaching. In some places, this can extend to decreasing security risks.
8. Increasing the economic value of protected areas.
9. Promoting formerly disadvantaged communities living in and around protected areas.
10. Promoting sustainable development, economic empowerment and poverty alleviation by creating employment and developing capacity, skills and providing access to capital for local communities.

11. Supporting conservation or social programmes that directly benefit the protected area.
12. Developing powerful allies (concessionaires) for protected area agencies who can demonstrate how development and conservation can work together and advocate for the continued protection of an area if it is under threat from other less-sustainable activities.

The private sector generally has fewer constraints than the public sector and can often deliver specialized services and products because it:

- Better understands the tourism industry, the value chain and has developed the required marketing and distribution channels to bring visitors to their business.
- Has the ability to adapt to changing market needs and conditions, be innovative and respond quickly.
- Has more flexibility in labour contracts.
- Has more financial flexibility so can raise capital and other funds more readily and can carry them on between financial years.
- Has more freedom in setting price levels.
- Is less constrained by government policy.

While many benefits can stem from working with the private sector through concession arrangements, there are also costs. The most common costs include the protected area agency needing capable park staff for tourism planning and awarding and administering contracts, negative environmental, cultural and social impacts, over-commercialization of particular areas and some loss of control on the services offered to visitors. Not all concessionaires are interested in conservation and will only want simple transactional relationships with protected area agencies. This is not ideal, as success in conservation and in tourism concessions is intertwined, so partnerships are likely to produce greater benefits for both interests in the long term.

Park managers need to decide what visitor services the protected area agency should provide and what can be provided by the private sector. The aim should be to maximize the benefits that good concessionaires can provide so that these far outweigh any cost. This publication lays out the laws, processes and systems needed to manage concessions successfully. It demonstrates the inputs required and outcomes that can be expected from working with the private sector and provides practical case studies and tools to help get the job done.



A range of concessions makes for a robust portfolio. Concessions based around activities and adventure can be just as valuable as those based on lodges, luxury and accommodation. Camping in the high country of Grand Teton National Park.

Photo: Karen Kaynes, USNPS.

A concessions for these helicopters allows the operator, James Scott to provide value transport services to hunters, climbers and trampers wanting to quickly access the amazing West Coast back country in New Zealand.



Introduction

This chapter outlines the legislative and policy framework necessary for supporting commercial concessions in government-owned protected areas. The outcomes desired from a concession system need to be reflected in all the components that make up the system, including its objectives and the law, regulations and policies established to implement these objectives. This framework is the critical foundation on which the concession system should be built.

The following sections present the principles of concession law, the primary factors to consider when implementing it, and the balance between legislative mandate, regulation and policy. Concession law serves as the foundation for defining the parameters for concessions in protected areas and its implementation, through regulations and policies, and helps to ensure that a concession system has the flexibility to operate as efficiently as possible. This chapter also provides 'model' provisions of law, regulations and policy that can guide the development of a concession system.

The principles and concepts presented in this chapter can be used by both developing and industrialized countries; the amount of detail in the laws and regulations will vary based on local circumstances. While a legal framework works well for many countries, many of the concepts in this chapter could potentially be adopted without specific legislation. These concepts can apply to land managed by state, regional, local and other forms of government and, possibly, communal and private organisations. The aim is that the general concepts, once understood, will be adapted to suit all circumstances.

Case studies from Namibia, Mongolia and the USA show how different countries are improving their concession systems, including their legal and policy frameworks, to enable better environmental, social and economic outcomes from protected areas and their concession systems.

Key messages

- Commercial concessions can produce a number of outcomes, which should be defined and prioritized through a set of objectives, with the concession system built to achieve these.
- Laws governing concessions should provide the outline and framework for commercial activities and contain specific limitations only when necessary.
- More specific details of how concessions are to operate should be addressed in regulations and policies, with policies providing the greatest level of operational detail.
- Law, regulation and policy must be clear to all parties and their development should be through a public process with involvement of all interested parties.
- A concession system is made up of a number of interrelated components, from staff management to law and policy, award processes, IT systems and monitoring. The concession system should be purposely designed, reviewed and improved over time.

Discussion

Concession objectives

A protected area's concession function can help it to achieve many goals, including generating income, contributing to economic and rural development, managing overuse and impacts, protecting resources, enhancing conservation, and economic empowerment of people living in and around the protected area.

The key issue facing government ministers and protected area managers is to determine and then rank the most important objectives for their protected area concession system. These should then be used to guide the development of the laws, regulations and policies that govern the system.

A protected area agency's concession function may help it to achieve many objectives including:

- Generating income
- Contributing to biodiversity conservation
- Contributing to improved services and facilities for visitors
- Contributing to economic and rural development
- Managing overuse and impacts
- Economic empowerment of people living in and around the protected area

To help determine the most important objectives for a concession system and how to prioritize their importance, government leaders must consider what is important to them. The more focused a concession system is on its objectives; the more likely it is that the system will achieve its desired outcomes. If, in a context of protected area heritage conservation, the primary objective is to achieve revenue for the protected area, then concessions may be awarded on the open market through an open tendering process or auction. If the objective is to economically empower communities

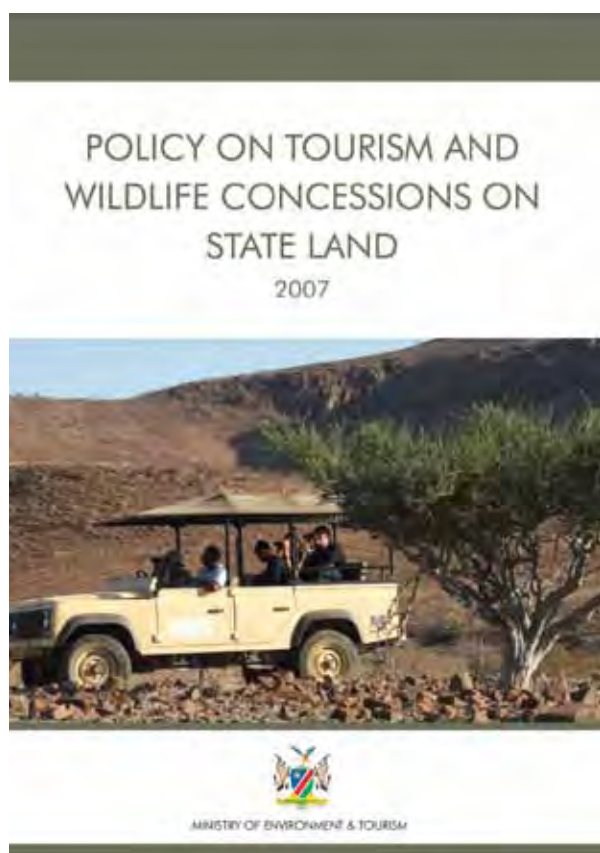
living around protected areas, then concessions may be awarded to those communities and the protected area agency could help them to facilitate this opportunity, for example by finding a joint venture tourism operator with whom to enter into a partnership.

In Namibia, for example, the objectives of the Policy on Tourism and Wildlife Concessions on State Land¹ are to:

1. Enhance and promote conservation
2. Control and monitor commercial activities
3. Increase the economic value of Namibia's parks
4. Promote economic empowerment of formerly disadvantaged Namibians
5. Use concessions to promote sustainable development and poverty alleviation and to create employment
6. Support development of capacity, skills and access to capital for Namibians

Managing Concessions

Figure 1.1 highlights the main components of a concession system. No matter how small or large a system is, all of these components will need to be present to some degree. For example, countries or protected area agencies that have just a small concession function may find spreadsheets adequate for managing their concessions and work flows; however, large systems may need to develop dedicated databases. Standard contracts, Web information, planning approaches and process, environmental impact assessment (EIA) and monitoring will always be necessary components of concession work. Additional components should also be considered, such as supporting concessionaires to interpret conservation values to their clients. A frequently overlooked, but very important, component of concession management is the skill level of staff. Concession staff need a wide range of skills, including understanding EIA processes, knowledge of how tourism operates and, most importantly, good relationship abilities. These skills need to be developed and retained. Ultimately, highly skilled concession staff are vital for the successful operation of protected area agencies and the tourism sector.



¹ MET (2007) Policy on Tourism and Wildlife Concessions on State Land, Ministry of Environment and Tourism, Windhoek, Namibia

Figure 1.1: Components of a successful concession system.

This figure highlights the main components of a concession system. No matter how small or large a system is, all of these components will need to be present to some degree for the concession system to be a success



Organisational management: Successful concession management can be achieved by implementing a number of principles and integrated components. Because concessions are commercial functions operating largely on public conservation lands; transparency, fair decision-making and continuous improvement are vital principles that must be applied to this area of work.

Transparency: is enhanced by having good information available on the number of concessions, who concessionaires are, applications being considered, standard contract terms and the processes applied when considering applications. Public involvement in concession planning also contributes to making the concession function transparent.

Clear and fair decision making: To ensure concession processes are fair, protected area agencies should have written policies explaining how decisions are made, and the criteria that will be used to make them. Typically, staff make recommendations and advise senior-level managers who are the decision makers. Who the decision maker is and the criteria used for decision-making should also be clear and obvious.

Continuous improvement: Managers must assess what works well and what does not, learn from mistakes and examine how other agencies address particular issues. Improvement can occur in a number of areas, including developing or strengthening components of the system itself (see below), new policy or IT systems, shifting from

reactive planning to proactive concession allocation and addressing the customer experience. When looking for improvements, protected area managers should consider asking the tourism industry and their stakeholders what they think.

Factors needed to develop a strong concession system

A number of factors are essential to the establishment of effective concession systems or the improvement of existing systems. Stable political environments public support and good foundational laws are foremost amongst these.

Stable political environment: A stable political environment helps make potential investors confident that the government will honour the terms of concession contracts. Development of a successful concession system will be very difficult without this basic trust. Indeed, political stability is a fundamental requirement for the tourism industry to flourish in any country. Transparency, accountability and an absence of corruption are also essential for engendering public and investor confidence in concession systems. For more on this subject, refer to the principles of good process presented in Chapter Five.

Public support: Strong public support for protected areas helps ensure that they will continue to be protected for future generations. If public lands are withdrawn from use, but produce no economic or social benefit thereafter, then public support for their protection will likely wain. Demonstrating the sustainable use of protected areas through well-designed concession contracts will help garner public support—both local and national—for them.

Good foundational laws: The legal framework for concessions must be established on a strong foundation of political stability and support, public support, and well-crafted laws and public policies related to the management and oversight of protected areas. Strong general laws governing protected areas are important for successful concession systems. These general laws, such as those that protect the resource, define allowable

activities and establish protected area purposes, apply to any activity occurring within a protected area, including concession activities. Therefore, the provisions in these laws do not need to be repeated in laws specifically relating to concessions.

This approach avoids confusion and possible mistakes which may occur if particular provisions are duplicated. Existing laws designed to protect resources in protected areas should also allow protected area law enforcement to take action against concessionaires that participate in illegal activities.

The role of laws, regulations and policies in concessions

Laws are the body of legal rules, standards, and norms that apply to a state and its citizens. Laws are typically enacted by a legislature as statutes. Laws are enacted to further a country's constitution and subsequently shape society by regulating the relationships of people and institutions. When developing or modifying a law, clarity and brevity are essential. After a law is enacted, the authority for its implementation and administration is typically delegated to a particular unit of government ('the administering agency'), such as a protected area agency.

The term 'statute' refers to a law enacted by a country's legislative body. The term 'regulation' refers to a rule that has the force and effect of a law adopted by the implementing agency under authority granted to the agency by a statute. The term 'policy' refers to an ongoing operational approach or strategy developed by the administering agency with respect to the administrative issues with which it contends. Policies usually have less legal force or effect than statutes or regulations. The administering agency is responsible for developing regulations and policies that are consistent with and in furtherance of the objectives of the law. Figure 1.2 illustrates the relationship between law, regulation and policy found in many countries.

A well-developed law engenders general, broad policies that use plain language and well-defined terms. For example, the United States National Park Service Organic Act,² which established

Box 1.1: Components of the legal framework required for concessions in protected areas

1. Protected area must have clear foundational laws and regulations.
2. The public must support and have input into the types of concessions permitted in protected areas.
3. Concession law should be drafted with input from potential concessionaires, environmental groups, the general public and other stakeholders.
4. The law must include only the most important general provisions relating to concessions and allow the implementing agency the flexibility to establish the details through regulations and policy.
5. The law must be implemented through clear, thorough regulations and policies.
6. The implementation of concession law, regulations, and policies must be regularly evaluated and modified when necessary.
7. Provision must be made for oversight and monitoring of concession activities.

the National Park Service (NPS), states that the national parks have been set aside for the fundamental purpose of conserving “the scenery and the natural and historic objects and the wild life therein”. It goes on to state that the NPS is to provide for the enjoyment of the parks “in such manner and by such means as will leave them unimpaired for the enjoyment of future generations”. The NPS Organic Act also grants to the NPS the authority to regulate the use of parks, which means that the NPS can develop necessary regulations and appropriate policies in order to implement the law and administer the parks. Accordingly, laws, regulations and policies provide the framework within which park managers confront a wide variety of challenges and problems.

Public input and opinion are essential to developing laws that affect the management of protected areas. The general public, the travel and tourism industry, environmental organizations and other groups have a vested interest in the laws concerning commercial activities in protected areas.

The management of protected area systems and programmes is guided by a country’s constitution, public laws, international treaties and regulations, guidance, policy, protected area plans and other country-specific actions. A hierarchical relationship will facilitate management of public policy

regardless of the system of implementation adopted by a particular nation, as shown in Figure 1.2.

How do you decide what should be covered in law versus regulation and policy?

Laws should provide general principles rather than explicit provisions. They should mandate only the most important factors needed to allow the administering agency to develop the regulations and policies that will aid the implementation of a concession system. The law provides the outline and framework for commercial activities, such as the protection of resources, the maximum length of contracts, the return to the government and protections for concessionaires. For example, a law might state that concession activities must not result in irreparable damage to a park’s resources. The law should contain specific limitations only when necessary. It should not forbid specific activities (e.g. rappelling).

Laws typically do not include guidelines for implementation. For example, the US Code (see Table 1.1) does not specify how many concessions must operate at Yellowstone National Park; however, it does state that concessions must be limited to those that are necessary and

² Unites States of America National Park Service Organic Act 1916. US Government Printing Office, Washington DC.

Figure 1.2: The relationship between law, regulation and policy.

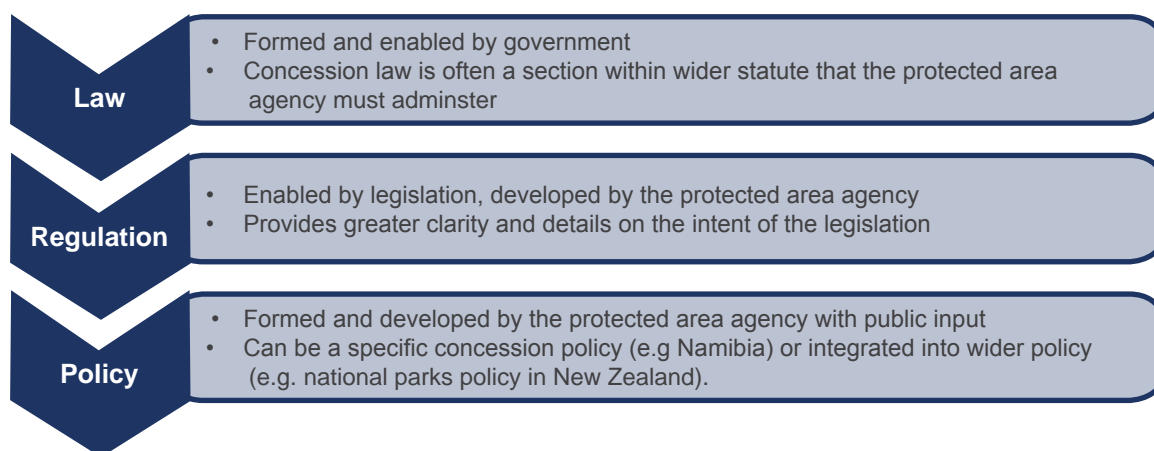


Table 1.1: The legal, regulatory and policy framework for protected area concession management in the USA, New Zealand and Namibia.

Country	United States	New Zealand	Namibia
Concession law	Public Law 105-391, ³ the Concession Management Improvement Act of 1998 replaced a 1965 law and requires 'necessary and appropriate' visitor services to be authorized via a concession contract.	Part IIIB of the Conservation Act 1987 enables the granting and consideration of concessions in relative detail; importantly, the concession section of the law sits next to Part IIIA which relates to protected area planning.	Nature Conservation Ordinance 1975 simply allows for concessions to be granted.
Concession regulation	Regulation is encoded in the US Code of Federal Regulations at 36.51. ⁴	The legislation is quite prescriptive so there are no separate regulations in New Zealand for concession work, although some by-laws can be established in National Parks	There are no regulations in Namibia for concession management, as the policy below is quite prescriptive and approved by the Namibian Cabinet.
Policy	NPS 'Management Policies 2006' Chapter Ten ⁵ provides high-level policies for concessions. Detailed procedures are issued at the programme level.	There is no stand alone specific concession policy; some activity-specific policy (e.g. for aircraft) is contained in the General Policy on National Parks and the Conservation Act General Policy.	Policy on Tourism and Wildlife Concessions 2007. Approved by the Namibian Cabinet, this is the key governing document relating to concession policy, objectives and management.

³ United States of America National Park Service Concession Management Improvement Act 1998. US Government Printing Office, Washington DC.

⁴ United States of America Code of Federal Regulations: National Park Service Concession Management 36 C.F.R. Part 51. US Government Printing Office, Washington DC

⁵ United States National Park Service (NPS) (2006) Management Policies 2006. Washington DC: US Government Printing Office (refer to <http://www.concessions.nps.gov/policies>).

appropriate to provide for visitor enjoyment without impairment to the park's natural, historic, and cultural resources. Under this approach, a planning document informed by laws, regulations, and policies would be used to determine the required number of concessions at a particular protected area.

If all components of a concession system have been established by law, changing or altering any component will require legislative action. Administering agencies can alter laws to meet changing requirements if those laws are clearly and succinctly written in a way that allows regulations and policies to add detail. Policies are the most detailed, and the easiest to change. Policies or other national level overarching documents are typically written in protected area agency headquarters and disseminated to individual protected areas or to the field office level. Concession policies must be consistent with all laws and regulations that apply in protected areas.

Effective concession laws are easy to understand, contain only the most important principles, and allow for the creation of balanced relationships between parties (i.e. the administering agency and the applicable concessionaire).

Fundamental principles of concessions law

As mentioned earlier, laws should provide the framework upon which the how, when, where, what, and why of policy and regulation may depend. Public engagement in the development of laws is paramount. Any law that governs concessions in a protected area comprises three essential components:

1. It has a dual mission regarding protected areas in that it aims to: (1) preserve and protect the area and its resources; while also allowing for (2) visitor enjoyment of them. For example, to achieve this dual mission, the NPS concession law stipulates that development of visitor accommodations, facilities, or services in national parks must be limited to those that are necessary and appropriate for public use and enjoyment of the protected area, and must be consistent with the preservation and conservation of the resources of the area.

The principal elements of this provision place limits on which concessions may be authorized (only necessary and appropriate services) and when they can be authorized (only when consistent with the preservation and conservation of the area). The law neither defines 'necessary and appropriate' nor declares a particular activity to be consistent or inconsistent with conservation—those decisions are left to the administering agency and area managers.

2. It limits concessions in protected areas to activities authorized by the administering agency under a written agreement (e.g. concession contract, lease, licence, or permit). The law should describe the type of legal instrument the agency is authorized to use for this purpose
3. It provides for financial return to the government from the revenues generated by authorized visitor services and allows such financial return to be reinvested in the protected area by the administering agency.

A sample concession law is provided in Appendix 1.1. This sample law can be modified by adding or deleting provisions appropriate to a specific country.

Principles of regulation and policy development

Policy frames and directs all management decisions. This direction may be general or specific; it may set out the decision-making process, how an action is to be accomplished, or the results to be achieved. Policy initiatives may originate as a sudden, urgent response to an unanticipated problem, or through a slow, evolutionary process as a protected area agency gains increased experience or insight. Sometimes the initiative originates not from within a protected area system itself, but from outside persons or organisations with a strong interest in the management of protected areas. The best-practice approach to policy development uses a working group applying a consensus-building method involving extensive field review, consultation with senior managers and review and comment by affected parties, including the general public.

All policy must be clearly written and approved by the level of government or management with the authority to issue the policy. Policy must be published or made available to the public and to those who will implement it within the protected area system.

Other factors that may need to be included in concession law, regulations or policies

There are other factors that may be sufficiently important to particular countries that they should also be considered for inclusion in concession law, regulations or policies. These should be included in a law only after careful consideration. Lawmakers should be mindful that legislated provisions are not easily changed or modified. Many such provisions may be adopted later in the form of regulation or policy; however, particular systems of government may require them to be placed into the body of a law, particularly in countries where the government has had difficulty attracting investors due to concerns about regulations and policies being too subject to change due to political or other influences. Whether to place a provision in a law, policy or regulation is highly dependent on local considerations. Factors to help protected areas determine what level of detail is needed in concession management plans are discussed in Chapter Three: Planning for concessions. The following 13 points are provisions that should also be included in either concessions law, regulation or policy.

1. Concession contract terms. Establishing an upper limit to the length of concession contracts is a common practice. By setting an upper limit, the administering agency can then determine exact term lengths based on whether specific contract terms and conditions, such as required capital investment, warrant a longer term. Concession contract terms of 20 or fewer years are effective for most concession operations. Longer terms (30 to 40 years) may be justified where there is a significant capital investment. For example in New Zealand, 30 years is typically the maximum term that can be awarded for leases and licences that

involve the development of significant infrastructure. Contracts with shorter terms must be renewed more frequently and therefore place a greater burden on the protected area management; this needs to be balanced against the benefits of shorter terms such as reviewing fee formulas, competition between companies competing for concession contracts, and protected area management efforts to develop contractual requirements according to industry best practices that result in better visitor services. In other jurisdictions, the maximum term relates to the level of interest in the land and the investment (and financial return time) for the concession, so that a lease for an accommodation building may be 20–30 years while the permit for a guiding operation with no fixed infrastructure may be for 10 years. The maximum term for a concession does not have to be included in the law; however, if based on policy or regulation, limits are less enforceable and longer terms can be detrimental to a protected area's control over a concession operation

2. A process for obtaining concession proposals. The requirements by which a protected area agency either publicly solicits proposals or accepts unsolicited proposals may be defined, along with how proposals will be gathered and evaluated. The administering agency must establish separate criteria for accepting or denying unsolicited proposals. A transparent, well-documented and clearly understood process is paramount to the success of a concession system. Committees set up by protected area agencies to evaluate proposals should be unbiased, multi-disciplinary, and have a good knowledge of the agency's processes and evaluation procedures, along with the requirements set out in the prospectus (if one has been issued).

3. The award processes (such as competitive tender, auction, direct award or based on applications) that can be used and under what circumstances they must be used. The process for establishing the framework for a competitive selection of concession contracts must be transparent, fair, and easily understood. The law should explicitly describe the process under which concession contracts are awarded, and under what circumstances this can be done non-competitively (see also Chapter Four).

4. Evaluation criteria. The law or regulation should include common evaluation criteria that are sufficiently general that they can be used in all circumstances and further refined to reflect varying requirements of different protected areas. Also, the competitive selection process should define the areas that must be considered in the evaluation process, such as:

- Protection of protected area resources
- Environmental impacts of the concession and measures to avoid, remedy or mitigate these impacts
- Demonstrated understanding of prospectus requirements
- Demonstration of experience and background in providing required services
- Financial capability
- Proposed fee
- How the concession promotes the interests of the protected area
- Social benefits to local communities e.g. economic development for disadvantaged groups

5. Protections for concessionaires. Laws, regulations or policies should provide a certain level of investment protection for a concessionaire's investment in real property improvements (buildings and other tangible assets). The private sector will be unlikely to invest in construction of a facility if its investment can be taken (by the government) without just compensation.

6. Control of concessionaire rates and charges for services to protected area visitors. In most cases, fees and charges should be market based, and set by the concessionaire. In instances where it is deemed important for the protected area agency to place controls on rates (such as when there is a concern that the concessionaire will attempt to over-charge visitors due to the lack of competition), a process of comparability with like services should be used. Regardless of which system is chosen, the financial feasibility analysis conducted during the planning process should ensure a concessionaire has an opportunity to make a fair profit. Operator profits should not be guaranteed by law, regulation, or policy; however, the government or protected area agency should believe that a profit is possible

given the circumstances of the particular operation (including rate controls). If the government or protected area agency controls rates, it must have a system in place to determine appropriate fees and charges—such as comparability with the surrounding community for similar goods and services.

7. Concession fees (return to the government or protected area agency). Each concession opportunity will have a different profitability rate or return on investment. The concession law should require a fair market return to the government. The regulations should specify how to determine a fair concession fee in order to give the concessionaire a reasonable opportunity to generate profit (see Chapter Six).

8. How concession fee revenues are spent. Law or regulations should also stipulate how a protected area may spend revenue from concession fees.

9. Economic development. Legal provisions that grant rights of preference to citizens—either in the awarding of contracts or requirements that concessionaires hire local citizens—may create employment opportunities in communities around protected areas that can offset losses of access to resources upon which they may formerly have depended. Some concession documents require more local preference and in some countries this may be in contravention of the constitution.

10. Preferences. The lawmakers may want to consider whether or not preference should be given to particular individuals or groups in the concession evaluation and selection process. For example, small or local businesses could receive additional points that would allow them to compete more effectively with larger and/or internationally owned and operated businesses.

11. Assignments. An 'assignment' of a concession contract is a transfer, in whole or in part, to a third party of the rights and obligations of a concession contract, including the right to operate, to enter into a mortgage, or to make some other pledge of interest in the contract. The protected area must have the right to approve or deny an assignment of any type in order to ensure the continued quality of concession operations. Criteria for reviewing

assignments should be developed and placed in policies or regulations.

12. Suspension or termination provisions.

These provisions allow a protected area agency to manage situations where there are unforeseen impacts from a concession operation or breaches of agreement in its operation. The provisions could also be used to protect the interests of the concessionaire.

13. Prosecution, breach and penalty provisions.

These can be applied to operators that try to work without concessions when they are required by law.

Examples of a concessions law, regulation and policies

Appendix 1.1 provides an example of a concession law, regulation and policy. Particular attention should be paid to the cascading level of detail—the law is the most general, with the regulation

setting out key provisions, while the policy provides the most detail and operational specifics. These examples are based on US concession law, regulation and policies.

The provisions in these examples have been devised to aid countries to develop or refine concession rules by providing an outline of provisions they may choose to use in their particular situations. They can be modified for use as needed by a particular nation. Any policy should be developed through consultative processes or systems. The models in the Appendix are just that, and may not work in total for any given country. Agencies working to create new systems or to improve existing systems can use them to identify the sorts of provisions they may need to consider. To demonstrate how concession law, policies and regulations are applied in real situations, three case studies are also presented later in this chapter. These examine concession systems of varying sizes and maturity in Namibia, Mongolia and the USA.

Reit Safaris have a concession to undertake multi day horse treks through incredible landscapes.



Case study: Concessions as a tool to empower local communities—Namibia

This case study highlights the role of Namibia's National Policy on Tourism and Wildlife Concessions on State Land 2007, its clear objectives and role in helping communities that live in or adjacent to protected areas. Namibia, despite its high GDP per capita, is an extremely unequal country economically, with one of the highest income disparities between rich and the poor in the world. Poverty reduction, therefore, is one of the top priorities of the Namibian Government. By attempting to address this disparity, Namibia's National Policy on Tourism and Wildlife Concessions on State Land⁶ offers an inspiring example for other developing countries.

The Policy focuses on concessions as a tool to empower communities living in and around parks and it does it without compromising the economic potential from concession ventures. The Policy contains enough flexibility to enable preferential allocation of concessions to communities; but it also provides for auctions, tenders and direct awards in situations where there are high levels of innovation and intellectual property rights (this is important, since this is how the new products that help the industry grow and evolve are developed). Central to the concept of concessions is mutual benefit. Local communities must reap the rewards offered by their neighbouring wilderness and other natural and cultural assets while allowing private sector businesses to also prosper, and the government to obtain reasonable levels of revenue.

Under the Concession Policy, the Ministry of Environment and Tourism (MET) has established a protocol designed to guide decisions on creating and awarding tourism and hunting concessions in protected areas and other State land. The objectives are to:

- Enhance biodiversity conservation and the maintenance of the ecological integrity of protected areas and other State land.
- Enhance the ability of the MET to effectively manage proclaimed protected areas and wildlife resources and to control and monitor tourism operations, trophy hunting, the provision of services etc.
- Enhance the economic value of proclaimed protected areas and wildlife resources, and generate revenue from sustainable use of these assets.
- Promote economic empowerment of formerly disadvantaged Namibians and their entrance into the tourism-, hunting- and wildlife-based industries. This will be achieved by applying affirmative action and empowerment opportunities associated with concessions through formulating minimum requirements that ensure the participation of such groups.
- Provide support to ensure development of capacity and skills and to facilitate access to capital amongst local people to enable them to meet concession requirements.
- Use concessions as a means of promoting sustainable development, poverty alleviation and employment creation.

A concession unit was established in MET to manage the programme and an inter-agency concession committee has been assembled to oversee concession applications.

MET may decide to reserve a specific concession for a resident community (e.g. to provide for economic development opportunities for residents that are consistent with the objectives of the

⁶ Refer to: (<http://www.met.gov.na/Documents/Concession%20Policy%20flyer.pdf>).

neighbouring protected area), or for neighbouring communities that bear the brunt of human/wildlife conflict or who have requested that a park be established on their land to enable them to benefit from wildlife and tourism. Each concession application is to be judged on its own merits and circumstances.

The following guidelines have been developed to assist in awarding concessions to communities and to increase the likelihood that they have successful outcomes:

- Award concessions directly to communities that have representative, accountable and stable institutions that are legal entities with the right to enter into professional contracts.
- Give priority to communities that are resident inside protected areas or are immediate neighbours.
- Use concessions to mitigate the costs that such communities suffer from living next to a protected area, to provide incentives for them to support the objectives of the protected area, and to stimulate local economic growth.
- Provide assistance and guidance in the negotiation of beneficial agreements with joint venture partners or investors, and technical assistance to access business acumen.
- Ensure that the communities are not exploited in any sub-agreement or joint venture with other partners.
- Ensure that community organisations or representative bodies are entering into concession agreements in accordance with a mandate from their communities.

A standard template for agreements to ensure equitable sharing of costs and benefits, transfer of skills, management responsibility, and ownership of rights and assets within agreed timeframes, was developed by MET in consultation with stakeholders.

To date, 17 tourism concession and 2 wildlife hunting concessions have been awarded to community groups in Namibia, providing essential income to the participating rural communities. This, in turn, has significantly enhanced the potential of people throughout Namibia to support protected areas and wildlife management and, equally importantly, support themselves. Table 1.2 provides a summary of Namibia's concession processes.

The aim of the policy is to create opportunities for income generation and jobs and provide vocational training in rural areas that would otherwise struggle to reduce poverty; thereby providing alternative livelihood options that will lead to greater support for conservation. While the Ministry has increased its own revenue from N\$2 million to over N\$15 million, the challenge now is to measure the benefits of the Policy to ensure it continues to achieve its aims.

Table 1.2: Summary of concession processes in Namibia.

Tender or auction	Unsolicited applications	Direct award
For sites identified by the Ministry through planning processes; these will require community empowerment provisions.	Generally not permitted, but provision has been made for applications that involve high levels of innovation, intellectual property or for smaller, non-exclusive guiding concessions. Once a concession is awarded and a fair period for return on investment provided, then, when the first term expires, the concession's next term can be tendered.	To empower communities living in or adjacent to protected areas, the Ministry will award the concession to the community and will then provide support to the local community to find a joint venture partner, or subcontractor.



Uri Adventures have a concession to run guided dune tours through the Namib Naukluft National Park, Namibia.

Case study: A concession management strategy for Mongolia's Protected Area Network

Penny Spoelder, Senior Consultant, TRC Tourism

This case study highlights a situation where a strategy was needed to signal improvements to the concession system in Mongolia. This strategy includes undertaking legislative reform and policy work and other initiatives.

Mongolia is vast and wild, with sweeping lake-studded grasslands and mountains and deserts. Mongolia's appeal as a tourism destination is understandable and its 61 protected areas are key to its tourism product.

Tourism and its related potential for national development has surged since Mongolia became independent from the former USSR. Visitor numbers reached 450,000 in 2010.⁷ There are now around 400 travel companies, 300 hotels, and 400 resorts and ger (yurt) camps in operation, many within Mongolia's protected area network.

However, Mongolia's institutional system for managing tourism is still in its infancy and its effectiveness is limited by (1) weak policy that only addresses some activities in protected areas, (2) confused governance arrangements for awarding licenses and obtaining revenues, (3) political interference in approval processes, (4) poor institutional capacity and (5) a fee structure that does not reflect the actual market values of resource use and the benefits received by private operators.

Applications to undertake commercial activities in a particular protected area are accepted and administered by both the local and regional government associated with the protected area and the protected area regional administration. Comments and/or endorsed applications are then sent by these agencies to the Ministry of Environment and Green Development (MEGD) for processing. There is no legal framework allowing the protected area administration to receive payment from commercial enterprises in protected areas. Some tourism ger camps operating in protected areas are required to pay a land fee to the local or regional government. In 2008, total revenue from these fees was \$362,000. Local governments are required to provide 30% of land fees to the protected area administration to cover costs. This does not always happen. Revenue from trophy hunting (e.g. Argali Sheep) should be shared with the protected area network, but policy and procedures to support this regulatory mechanism are not clear, so its effectiveness is limited (i.e. funding is not directly supporting conservation or the management of protected areas).

MEGD, with support from the UNDP and funding from the Global Environment Facility (GEF)⁸, prepared a concession strategy for protected areas in Mongolia that is designed to:

- Improve the quality of the visitor experience
- Promote conservation
- Control and monitor commercial activities and over-commercialization
- Promote sustainable development, poverty alleviation and employment creation
- Support the development of capacity, skills and access to capital for citizens to develop alternative livelihoods

⁷ World Travel and Tourism Council (2013) Travel and tourism economic impact Mongolia.

⁸ Ministry of Environment and Green Development (MEGD) / UNDP (2013) Feasibility of concessions for tourism and ecosystem services in Mongolia's protected areas.

Typical tourist 'ger' camp
in Mongolia's protected
areas.

Photo: Marcus Olsson



- Increase the economic return to the protected area administration and relevant Central and Local governments for sustained and effective management

The strategy recognizes the important role local communities play in concession management and how granting concessions directly to communities may generate income, offset the costs of lost access to grazing resources, fund education and training and help gain the support of local communities in conservation. Local people are often excellent guardians of their resources. It is their livelihoods that are at stake. Local businesses are also important partners for protected area managers. The strategy will:

- Clarify the legislative framework for concession management in Mongolian protected areas
- Establish policy and guidelines for sustainable concession management
- Identify strategic opportunities for investment according to objectives
- Strengthen partnerships with industry, community and government agencies to develop sustainable concessions in strategic areas

The strategy is intended to deliver the following outcomes:

- A clear, simple and transparent legal basis for concession establishment that displays good governance and effective management
- Strategic planning that assists decision-making about the appropriate level and type of commercial/NGO activity across Mongolia's protected area network
- Cultivation of partnerships with sectors that are likely to provide the best fit for concession opportunities, such as tourism and education
- The fostering of concessions with local communities that result in identifiable socioeconomic benefits to them
- Setting in place enforcement, compliance and mechanisms for termination, together with regular, programmed reviews.

The benefits to Mongolia will be:

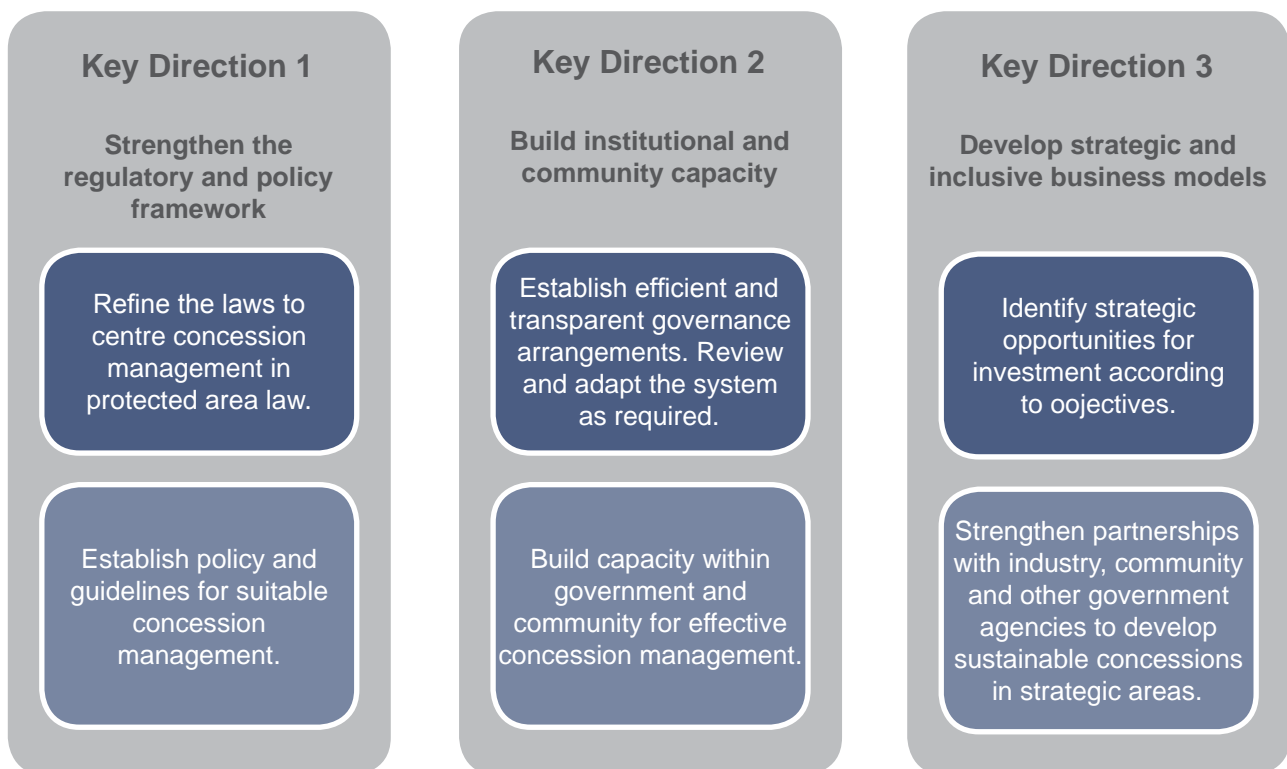
- Appropriate sustainable commercial investment opportunities with the potential to enhance tourism and provide a financial return to Government

- Enhanced conservation programmes, recreational facilities, infrastructure and amenities for visitors to the protected area network resulting from the development of partnerships
- Appropriate financial returns from the use of protected areas
- Recognition of the role of local communities in providing conservation and visitor services in partnership with the Government, promoting sustainable development, poverty alleviation and employment creation
- Efficiency in administration and open and transparent governance
- Support for the development of capacity, skills and access to capital to enable citizens to develop alternative livelihoods

The concession strategy will only be successful if there is bipartisan political support and ongoing commitment from government and donor agencies to remove the current ambiguities in administrative responsibilities and concession procedures.

Development of the protected area network is presently being held back by the lack of national institutional capacity, but this problem can be remedied, as illustrated in Figure 1.3.

Figure 1.3: Strategies for improving concession management



Glacier National Park - Iconic 'red bus' awaits its passengers in front of the 100-year old Manny Glacier Hotel

Photo: Deborah KM Gilk, NPS



Case study: Lessons learned from a century of concessions—USNPS¹⁰

The Concessions Policy Act of October 9, 1965 (79 Stat. 969) guided the US National Park Service (NPS) concessions programme for over 30 years. In the early 1990s, the NPS, US Congress and other stakeholders identified the need for substantial reforms to the programme to improve the quality of visitor services and maintenance of facilities as well as to identify clearly the basis for managing rates charged to visitors and franchise fees paid to the US government.

The National Park Service Concessions Management Improvement Act was enacted in 1998 and was designed to increase competition among concessionaires and professionalize NPS management of the programme. The Act:

- Defined a competitive process for the selection and awarding of concession contracts.
- Limited the right of preference to concession contracts for small operators (gross receipts less than \$500,000) and guide and outfitter services.
- Eliminated lengthy contracts (i.e. contracts longer than 20 years) and stated a preference for 10-year terms with a maximum length of twenty (20) years.
- Established Leasehold Surrender Interest as the method of compensation for qualifying capital improvements.
- Allowed individual park units to retain 80% of franchise (concession) fees; the remaining 20% being used to support concession operations and other activities throughout the NPS.
- Required NPS oversight of concessionaires' rates and charges.
- Required the payment of franchise (concession) fees to the government based on the 'probable value to the concessionaire, of the particular contract.
- Created the Concessions Management Advisory Board.
- Encouraged the Secretary of the Interior to use contracted services to assist in the management of concession contracts and to professionalize the concessions workforce.

As a result of the Act, the NPS has significantly changed the management of its concessions programme and relationships with concessionaires. Shorter contract terms have resulted in improved visitor services. Contracts reflect the actual value of the business and return significantly higher franchise fees to the government while still controlling rates charged to visitors and providing a fair opportunity for profit to concessionaires. Facility maintenance has greatly improved due to more efficient monitoring by NPS staff, who now have improved asset management skills. The workforce

¹⁰ Case study completed by Jo Pendry (2014), chief of the concession function for the US National Park Service.

¹¹ United States of America National Park Service Concession Policy Act 1965. US Government Printing Office, Washington DC.

¹² United States of America National Park Service Concession Management Improvement Act 1998. US Government Printing Office, Washington DC.

has received training, and an effort is being made to recruit new employees from the hospitality and business management sectors.

Major programme improvements included:

- Quality standards established for all concessionaire services
- Concessionaires being asked to provide creative ideas
- Stringent environmental management requirements for concession operations
- Better implementation of the law through clear policies, procedures and standard contract language
- Increased professionalism of the workforce
- The adoption of private sector business practices

SUMMARY

This chapter has outlined the legislative, regulatory and policy framework that provides the foundation and is support for commercial concessions in protected areas. Examples and templates are provided in Appendix 1.1. These can be used as a guide or checklist for protected area agencies that wish to improve or develop their own systems.

Each protected area agency will need to determine what outcomes and objectives it wants to achieve with its concession system and design its regulatory framework and concession system accordingly.

Case studies have been presented from Namibia, Mongolia and the USA to show how different countries are improving their concession systems, including their legal and policy frameworks, to enable better environmental, social and economic outcomes from protected areas and their concession systems.

ACTIONS

- Critically define the objectives for your concession system, and then shape the system to achieve the outcomes expressed in these objectives.
- Review the components of your concession system. Are all the components developed and in place? Do they help the protected area agency to achieve its core objectives?
- Examine other countries' laws, regulations and policies and benchmark the qualities that make particular programmes successful.
- When reviewing existing laws, regulations and policies, consider the following aspects:
 - Are they sufficient to protect the resource using the standard set by the protected area agency's protection laws?
 - Are they as transparent and clear as possible? Propose revisions to those that are not.
 - Do they provide the necessary flexibility for the government or protected area agency to achieve their desired objectives?
- Ask your stakeholders if they find your law and procedures to be clear and fair.
- Consider revising the law and procedures if they are not clear and able to protect both the resource and the investment of the concessionaire.

Tourism concessions should benefit conservation. A family of elephants drink from a water hole provided by a concessionaire at Hobatere, Namibia



The Hollyford Valley (shown) and other sites such as the Milford Track and the Routeburn Track demonstrate how park agencies and concessionaires can work together to provide a better product, for a wider range of visitors that is also more viable. On the Hollyford Track the concessionaire (Ngai Tahu Tourism) runs a successful high end guided walking operation with lodge style accommodation, while along the same track the Department of Conservation has unguided freedom walkers who use hut style accommodation.

Photo: Ngai Tahu Tourism



Introduction

Ecotourism has a “positive impact on income generation, job creation and education, and thus on the fight against poverty and hunger.” UN General Assembly Resolution, 2012

In late 2012, the unanimous resolution of the UN General Assembly cited above recognized the important role ecotourism could play in poverty alleviation, livelihood enhancement, environmental conservation and promotion of inclusive development. The resolution encourages UN Member States to promote investment in ecotourism; in particular, small- and medium-sized enterprises and cooperatives, and to facilitate access to finance through initiatives such as microcredit programmes for the poor, local and indigenous communities in rural areas with ecotourism potential. The importance of tourism in sustainable development and conservation was also recognized in the outcome document of the UN Conference on Sustainable Development (RIO+20) and the results of the 11th meeting of the Conference of the Parties to the Convention on Biodiversity.

These recent statements are affirmations of the belief that protected areas can be powerful economic drivers that contribute not only to biodiversity conservation but also to the development of local, regional and national economies. This is particularly true in developing countries where poverty levels are generally high, state resources limited, jobs scarce, and there is often not a deep-seated popular tradition of recreation in outdoor settings such as national parks. In these situations, protected areas must justify their existence even more so than in industrialized countries, not just on biodiversity and recreational grounds but also—and especially—as contributors to the socio-economic advancement of their societies. Protected areas—and the businesses they sustain—face a particularly daunting challenge in such settings: if they are to survive, they must optimize their economic contribution without compromising either business viability or their primary mandate of biodiversity conservation. They must do so in environments where protected areas are often viewed with skepticism not only by local residents who incur the costs of conservation but also by politicians who are faced with many pressing demands on limited budgets. And they must balance promotion of international ecotourism with expanding recreational opportunities for local and national populations, particularly in protected areas near major population centres, as the example in Box 2.1 illustrates.

Box 2.1: Protected areas in developing countries—a South African example

The iSimangaliso Wetland Park in South Africa is one of the world's outstanding natural and cultural treasures, exhibiting outstanding universal values for which the Park is world-renowned. The Park sustains a wide range of commercial concessions yet the region as a whole, and the areas neighbouring the Park in particular, include some of the most impoverished communities in South Africa, many of whom rely extensively on natural resources from iSimangaliso for survival. Examples include harvesting of reeds and fruit, agriculture and fishing. The depletion and degradation of natural resources in communal areas has meant that there is increasing pressure on the resources inside the Park. This tension between the short-term and long-term view is a direct function of the conditions of poverty that characterize the lives of 80% of the people living in the area. **The need to ensure that tangible benefits from iSimangaliso flow to local communities is, thus, not only an economic but also a conservation imperative.**

iSimangaliso Wetland Park Integrated Management Plan (2011–2016)

Key messages

1. People living in and around the protected areas of the developing world often bear significant costs associated with conservation. Many communities have lost land to conservation or access to local resources; others suffer losses due to conflicts between people and wildlife. Concessions can provide partial redress for such costs.
2. Well-planned and managed protected area concessions involving partnerships among local communities, private entrepreneurs and conservation agencies have the potential to diversify livelihoods, expand job options, empower women and indigenous communities, build on traditional knowledge and skills, reduce risks and build resilience in rural economies with rich natural and cultural capital but high levels of unemployment, poverty and marginalization.
3. Being employed, owning a supply business and investing income from an ownership stake in a concession operation are practical and proven methods for enhancing local livelihoods and building local capabilities and, in turn, ensuring long-term local support for conservation initiatives.
4. Concession policies, procedures and contracts can be structured to increase local linkages and to enhance the livelihoods of people living in and around protected areas. But if they are to be successful, pro-poor approaches to concessions (i.e. approaches that benefit poor communities) must be prioritized and fully integrated into law, policy and practice.
5. Parks cannot cure all the economic ills of a region; protected area staff should be careful to manage expectations so that they remain realistic and achievable.

Discussion

General principles

1. **Protected areas are often important attractions that bring economic activity to remote and marginal areas.**
Tourism already contributes significantly to economic growth in many developing countries¹, much of it closely linked to the parks that draw tourists from around the world. Protected areas often have an additional advantage: many of the most attractive destinations—the Okavango Delta and the Serengeti Plains, the Amazon rainforests, and the Pacific coral reefs, for example—are located in remote areas where the poorest of the poor live and where other economic opportunities are limited. Protected areas in developing countries therefore appear to be particularly well placed to contribute to economic development and poverty alleviation. By attracting tourists to remote and economically marginal districts they bring viable economic activity—new investment, new trade in goods and services, new jobs and new skills—to the doorsteps of the rural poor.²

2. **Many protected areas in the developing world are underdeveloped and have ‘latent potential’.**

Many—but by no means all—protected areas in the developing world are underdeveloped tourism assets; there is a significant gap between their tourism potential and the levels of development achieved thus far. These protected areas are early in the development life cycle discussed in Chapter Four. In these circumstances, a set of strategic interventions to remove key blockages and set in place proper planning frameworks can release latent potential and advance regional economies.

3. **Although many people already benefit from development associated with protected areas, much remains to be done.**
There is strong evidence that many citizens, including poor households, living in and around the protected areas in the developing world already benefit substantially from nature tourism, mainly in the form of employment opportunities. But it is equally clear that much remains to be achieved. Rural residents face many obstacles and, on the whole, remain weakly integrated into

¹ Tourism is one of the most dynamic economic sectors in many developing countries. International tourism revenues in the 48 least developed countries rose from US\$3 billion in 2000 to US\$10 billion 2010; in the same years, the number of visitors rose from 6 million to over 17 million (<http://www.gadling.com> accessed April 2013).

² South African National Treasury (2005). Getting Started: 2. Clarifying Some Key Policy Issues. PPP Practice Note 01, p. 3.

the tourism businesses that often thrive in and around these protected areas.

4. Integrating local residents—especially poor households, indigenous communities and women—into protected area economies via concessions compensates for losses, alleviates poverty, drives local economic development and builds conservation incentives.

Integrating locals into protected area economies is important, not only as a principle of natural justice but also on pragmatic grounds. If those who incur the cost of living in or near protected areas or who maybe suffered historic losses (such as removals or prohibition of resource use rights) do not benefit from concessions, activities detrimental to the protected area (such as poaching or other illegal resource harvesting) will likely increase. Sharing in the benefits generated by concessions gives local people a stake in conservation and creates incentives for them to become better stewards of their natural resources. Box 2.2 provides a Himalayan example of this principle.

5. A focus on local benefit must be balanced against the need to contribute at the regional and national scales.

While it is vital that protected areas contribute to their local economies, many of the inputs (capital, goods, services and skills) required to operate concessions cannot be reliably sourced locally. Protected areas need to nurture their legitimacy, not only locally, but regionally and nationally also. Local participation needs to be balanced with regional and national inputs.

6. Concession agreements are powerful instruments that can be used to secure greater benefit for local and other citizens.

In balancing returns from a given concession (see Chapter Six), agencies in the industrialized world often place a greater emphasis on socio-economic contributions than their counterparts in the developed world. In many developing countries, it has become standard practice for protected area managers to use the terms and structure of concession agreements to promote greater benefit for local, regional and national groups.

Box 2.2: Sharing in the benefits—a Himalayan example

In situations where communities reside within national parks (or did so in the past), development of concession opportunities benefitting local residents can help provide income to offset economic losses related to park establishment and prohibition of activities such as hunting and other resource use. In Semis National Park in Ladakh, India, for example, the state government of Jammu and Kashmir and cooperating NGOs worked with local communities and tour operators to establish home stay programmes and guiding activities which helped offset livestock losses due to snow leopards while particular benefits for women and girls.

Equations, at home in the land of the high passes: a case study of the Himalayan Home Stays, Ladakh. www.asl-foundation.org (accessed April 2013).

7. When structuring concessions to optimize local benefits, care is required to not overburden the operation with excessive costs which, in extreme cases, could render it unviable.

These situations often require trade-offs—strong requirements for benefits to local communities may reduce the amount of money that commercial partners are willing to pay for concessions, and this will affect the ability of concessions to contribute to the costs of protected area management.

8. Tourism is not a cure-all for a region or a community's economic woes.

Many tourism activities and markets are seasonal and tourism is also subject to disruptions caused by internal or regional strife, changing consumer tastes, natural disasters and global economic downturns. Excessive dependence on tourism is just as risky as overreliance on any other activity. Tourism can, however, play an important role in economic diversification and livelihood enhancement. Its stability and impact can be enhanced by attracting diverse (including national and international) market segments that complement each other in space and time .

9. Tools such as the **Global Sustainable Tourism Criteria** should be used. These tools can assist the development of sustainable ecotourism (see Box 2.3) that provides local benefits while minimizing negative impacts.

Box 2.3: The Global Sustainable Tourism Criteria for maximizing social and economic benefits to the local community and minimizing negative impacts

- B.1. The company actively supports initiatives for social and infrastructure community development including, among others, education, health, and sanitation.
- B.2. Local residents are employed, including in management positions. Training is offered as necessary.
- B.3. Local and fair-trade services and goods are purchased by the business, where available.
- B.4. The company offers the means for local small entrepreneurs to develop and sell sustainable products that are based on the area's nature, history, and culture (including food and drink, crafts, performance arts, agricultural products, etc.).
- B.5. A code of conduct for activities in indigenous and local communities has been developed, with the consent of and in collaboration with the community.
- B.6. The company has implemented a policy against commercial exploitation, particularly of children and adolescents, including sexual exploitation.
- B.7. The company is equitable in hiring women and local minorities, including in management positions, while restricting child labor.
- B.8. The international or national legal protection of employees is respected, and employees are paid a living wage.
- B.9. The activities of the company do not jeopardize the provision of basic services, such as water, energy, or sanitation, to neighboring communities.

www.gstcouncil.org/sustainable-tourism-gstc-criteria.html (accessed April 2013)

Indicators

Value chain analysis

Value chain analysis can be a powerful tool for analysing the extent to which concessions in protected areas provide pro-poor benefits and to find ways of expanding their economic yields more widely amongst marginalized people. Such analyses in a number of Asian and African tourism destinations showed large disparities in the overall economic benefits derived from

nature-based tourism. At Kilimanjaro National Park in Tanzania and Kinabalu National Park in Malaysia, requirements for use of local porters and guides have led to major income benefits for local populations, while at Siem Riep in Cambodia, high reliance on imports has limited the economic benefits to local artisans. Such analysis, consisting of a situational diagnostic, scoping and prioritization of opportunities, followed by the planning of set of interventions (see Table 2.1), can identify 'entry points' where changes in the enabling environment (such as regulations requiring use of local porters or eliminating barriers to entry), investments in skill

Table 2.1: Steps involved in value chain diagnosis.³

Phase	Step	Preparation	Why?
Phase 1: Diagnosis	Step 1	Preparation.	To define the destination, type of potential target group, and assessment team/partners.
	Step 2	Map the big picture: enterprises and other actors in the tourism sector, links between them, demand and supply data, and the pertinent context.	To organize the participants, understand the overall system.
	Step 3	Map where the poor do and do not participate.	To avoid erroneous assumptions about poor participants. To take account of the less-visible suppliers.
	Step 4	Conduct fieldwork interviews in each node of the chain, with tourists and service providers, including current/potential poor participants.	To provide data and insights for Steps 5 to 8.
	Step 5	Track revenue flows and pro-poor income. Estimate how expenditure flows through the chain and how much accrues to the poor. Consider their returns and factors that enable or inhibit earnings.	To follow the dollar through the chain down to the poor, and assess how returns can be increased.
Phase 2: Scope and prioritize opportunities	Step 6	Identify where in the tourism value chain to seek change: which node or nodes?	To select areas ripe for change, drawing on Steps 1 to 5. To ensure Steps 6 to 8 are focused on priority areas.
	Step 7	Analyse blockages, options, and partners in the nodes selected, to generate a long list of possible interventions.	To think laterally and rationally in generating the range of possible interventions.
	Step 8	Develop a strategy and prioritize interventions on the basis of their impact and feasibility.	To generate an intervention shortlist, comprising interventions most likely to deliver impact.
Phase 3: Feasibility and planning	Step 9	Intervention feasibility and planning.	Package selected interventions for funding and implementation.

Note: These steps are iterative and cannot be entirely sequential, e.g. some initial thinking from Step 6 (where to focus) will help in focusing resources within Step 5.

training, or market interventions can bring major gains for local suppliers.

A caution is in order here. Value chain analysis can be useful, but it is generally expensive and requires high-level skills that are often beyond the reach of protected area managers. Value chain analysis may also quantify, at considerable cost, what is known already. It is therefore not appropriate in all situations and should only be used if resources are available and there is a compelling case that it will deepen understanding and contribute to a workable programme of action.

Employment

Employment of individuals generally provides the greatest flow of revenue from tourism concessions to poor families living in the vicinity of protected areas in developing countries, more than joint venture income and more than income from the sale of goods and services.⁴ In addition, concessions often provide employment for women and other vulnerable groups in rural societies. This is particularly important because there is now much evidence that rural women gaining employment

³ Overseas Development Institute (2009) Value chain analysis and poverty reduction at scale: evidence from tourism is shifting mind-sets. ODI Briefing Paper 49. London.

is a powerful driver of positive socio-economic advancement in the developing economies; it shifts the terms of intra-household bargaining in favour of women, lowers fertility rates and population growth, and increases the health and education of future generations (because women tend to spend more on the welfare of their children than men).

However, those people living in and around protected areas are often unskilled and therefore supply only menial labour while others (often outsiders from the cities or expatriates from industrialized countries) fill most of the more-skilled and lucrative positions (initially, at least). And, as the Okavango Delta example in Box 2.4 illustrates, local women are often at an additional disadvantage, earning even less than their already disadvantaged male counterparts.

The number and value of jobs for local people generally, and for local women in particular, are therefore important indicators that can be used to monitor and evaluate a concession's contribution to local economic development. Implementation

of this strategy varies widely from place to place. The Okavango example describes a situation—typical in many developing countries—where locals make up most of the workforce but receive a disproportionately low proportion of the payroll. On the other hand, the two Madikwe examples discussed in the case study later in this chapter describe a situation where locals fill all the jobs and capture 100% of the payroll associated with the concessions.

In southern Africa, applicants for concessions in protected areas are typically required to submit employment and skills development plans focused on local residents. In Namibia and South Africa, for example, applicants are required to describe the number, positions and key conditions of service (including levels of remuneration) of staff to be employed, specifying which positions will be recruited locally at the outset and setting dated targets for the filling of all positions by local community members. They are also required to submit a skills development plan showing the applicant's commitment to the training, mentoring

Box 2.4: 'Double disadvantage'—women employees in the Okavango Delta

A survey of 20 concessions in the Okavango Delta found that Botswana citizens (mostly resident near the concessions) made up 90.6% of the total workforce but captured only 58.3% of the total payroll. And local women were at a 'double disadvantage': although they made up more than 50% of the local workforce, they captured only 42.2% of the local labour costs.

"The local workforce already receives much lower average pay than their expatriate colleagues but local women's average wage is lower still. The challenge in the Okavango ... is therefore not only to increase the proportion of citizens—especially local residents—employed in higher paying positions but also to improve the position of local women relative to their male counterparts."

Massyn, P.J. (2008) Citizen participation in the lodge sector of the Okavango Delta. Chapter 10 in Spenceley, A. (Ed.): Responsible tourism: critical issues for conservation and development. Earthscan, London.

and advancement of local employees. Should the applicant be successful, these commitments are incorporated into the concession contract as a set of binding obligations backed by a schedule of penalties for non-compliance.

Ownership

Some agencies in the developing world have experimented with the granting of concession rights inside protected areas or on other wildlife-rich state land to neighbouring or resident communities. These approaches generally build on the principles

⁴ South African National Treasury (2005) Getting Started: 2. Clarifying Some Key Policy Issues. PPP Practice Note 01, p. 6.

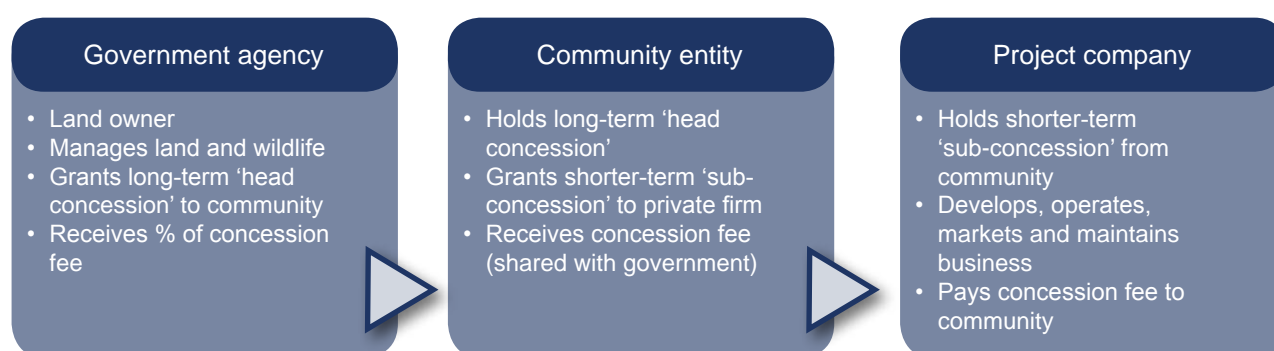
of ‘community based natural resource management’ (CBNRM) where the concept of granting local communities valuable commercial rights to wildlife and other tourism opportunities was pioneered, mainly as a way to build local conservation incentives. The approach was first developed in the 1980s through programmes such as CAMPFIRE in Zimbabwe and later, more extensively, through ‘communal conservancies’ and concessions policy in Namibia.

The Namibian programme allows government to grant tourism rights in communal areas as well as concessions in protected areas to local communities organized as conservancies, who most often use these rights to structure partnerships with private firms. The basic model in Namibia involves a two-tiered arrangement in which government grants a concession—locally called a ‘head concession’ or a ‘head lease’—to a local community represented by a communal

conservancy—a legal entity recognized in Namibian law.⁵ The latter then grants a ‘sub-lease’ or ‘sub-concession’ to a project company to implement the business. There are, today, many examples of this approach not only in Namibia but also elsewhere in southern Africa (where local communities receiving concessions are represented by a variety of corporate entities).

The basic two-tiered structure has become entrenched at many locations in southern Africa—especially Namibia—but there has been much experimentation regarding the level of community participation in the project company. In the classic case, the project company (or holder of the sub-concession) is fully owned by a suitably qualified private firm whose services are procured through a competitive bid conducted by the community but overseen by government. Once selected, the private partner is appointed to fund, develop, operate and market the business on its own account and at ‘arms-length’ from the community

Figure 2.1: Typical two-tiered structure for community concessions



and government. A variation of the basic model involves the community funding—or partially funding—the commercial infrastructure before appointing a private company to equip, operate and market the facility. The community share is often financed by donations from aid agencies, philanthropists or other development partners; in other cases, communities raise commercial debt from finance institutions (or a combination of grants and debt). This arrangement is illustrated in the Madikwe case discussed later but it has also recently been implemented in places such as

Etendeka in northern Namibia (Box 2.5). In these cases, the community generally receives a larger fee from the operator but also carries a larger risk than in the basic model, especially if it has raised debt for investment in commercial infrastructure. In a further variation of the basic model, some concession-holding communities have acquired a share in the project company holding the sub-concession. In these cases, the community entity holding the concession grants a sub-concession to a project company that it co-owns with a private firm. Examples of these so-called ‘joint ventures’

⁵ In some cases in Namibia (and elsewhere in Africa), concessions have been given to traditional authorities who treat the benefits from subcontracting a commercial operator as personal income. These situations are, however, atypical and do not constitute good practice.

Box 2.5: Community investment in lodge infrastructure—a Namibian example

At Etendeka Mountain Camp in Namibia's northwest, two neighbouring conservancies that had obtained concession rights to the area raised grants and a soft loan to fund the redevelopment of an existing lodge. The conservancies then sub-concessed the lodge to a private company to run the day-to-day operations and marketing. In return, the conservancies received two sets of fees—a 'land fee' of 8% and a 'building rent' of 7% of turnover.

or 'equity partnerships' include Chemucane in southern Mozambique and Dora Nawas in northern Namibia. In some cases, the community starts with a minority share in the project company, with the option of increasing its share over time as its experience and capacity grows. This is the case, for example, at Damaraland Camp in Namibia's Torra Conservancy, where the community acquired full ownership of the project company over the last five years of the initial concession.

At Grootberg in Namibia, this approach was taken even further. After receiving the concession contract rights from government, the conservancy chose not to take up just a share in the project company, but to acquire full ownership of the business. The conservancy recognized, however, that it did not have the operating and marketing skills required to ensure business success and contracted the services of a private firm to manage and market the lodge on its behalf. In this case, the commercial risk remained with the community, who stood to gain most if the business prospered but also to lose most in the event of poor performance.

The final example involves full community ownership and management of the concession business. Communities around the protected areas of the developing world typically do not have the resources and capacity to run complex tourism businesses, and examples of this approach are therefore generally limited to small, simple enterprises such as campsites, food carts or sales of basic convenience items.

An important question relates to the cost of concession rights granted by government to a community (i.e. the revenue split between the

agency and the community). This varies from place to place depending on the policy direction of the jurisdiction in question. In Namibia, where the granting of concessions is designed to build local conservation incentives or provide part redress for the costs incurred by local communities, government takes 25%—and the conservancy retains 75%—of the fee paid by the project company for the use of the concession rights. On the other hand, the community holding the head concession at Chemucane in the Maputo Special Reserve in Mozambique is treated like any other concessionaire and is expected to pay the full land fee charged by the government.

In addition to promoting local ownership of concessions, some countries also have policies that actively promote ownership for citizens or disadvantaged groups more generally. This is often part of a national commitment to historical redress that seeks to balance local and national returns in the broader public interest. In South Africa, for example, concessions are expected to benefit not only local residents but also black people more generally (and especially women), who were disadvantaged under apartheid but who do not necessarily reside in the vicinity of the protected area. Even in the USA, park contracting is awarded preferentially to companies located in enterprise zones historically underrepresented in contract awards, and war veterans, who suffer from high unemployment rates, are given preference points under civil service hiring policies.

As emphasized throughout this book, there is no single formula to guide protected area agencies when it comes to matters such as community ownership of tourism concessions in protected

areas. But there is now a wealth of experience available for managers to draw on as they consider the approach most appropriate to their circumstances.

Local procurement

Many protected area agencies seek to stimulate local economic development by requiring concessionaires to make binding commitments to build local supply chains by buying locally. There is a growing global movement to reduce carbon footprints by sourcing locally, sustainably and, in some cases, using recycled materials. This can lead to innovative linkages: In Madikwe, for example, lodges buy not only fresh produce but also services from local suppliers. An unusual innovation involves a local entrepreneur acquiring the sole right to harvest dead wood sustainably from the reserve, which he then sells to the lodges and other buyers.

However, low levels of economic and human capacity generally hamper procurement from local contractors. In the absence of reliable and high-quality suppliers, many tourism businesses

have little choice but to import certain supplies and services from elsewhere. Improving local linkages often requires a first step involving broader interventions designed to build the capacity of local businesses, a difficult task given the deficits faced by entrepreneurs in the remote rural hinterlands of the developing world. Stimulating local business in these settings requires a park-wide or tourism destination approach—a single concession's ability to stimulate local supply of goods and services is mostly limited; it is often more rewarding to coordinate demand between several businesses and a park agency to create an economy of scale for local suppliers. Overall, it seems these arrangements work best if there are multiple suppliers as well as recipient businesses, so that inconsistencies in supply can be leveled out. Protected area staff can play a constructive role by facilitating cooperation between a park and its business partners in this regard. A local vehicle repair business may, for example, develop a viable economy of scale if it maintains the vehicles of both the protected area agency and the private businesses operating within it. Box 2.6 briefly examines the advantages of involving women when goods and services are obtained locally.

Box 2.6: Local procurement—a focus on women

Protected area managers can ensure that income accrues directly to local women by requiring concessionaires to buy certain goods and services—especially those that fit local cultural patterns and capabilities—from women. Traditional divisions of labour in many parts of the developing world mean that women are well positioned to supply certain services (such as laundry, housekeeping or cleaning) or supplies (such as vegetables, thatching grass, eggs or poultry). These patterns are, of course, often embedded in patriarchal systems that hamper the advancement of women more generally but, in the short run, they also confer certain advantages. Managers can use these patterns to ensure immediate gains for local women while also supporting the longer-term process of building broader skills and changing attitudes.

Training and skills development

Many of the remote districts around protected areas in the developing world suffer from long legacies of neglect that have contributed to low levels of education, lack of skills and limited entrepreneurial

initiative. Concessionaires can contribute by training and developing the skills of local employees and contractors. This is a high priority in developing countries and many agencies require their concessionaires to commit to training programmes with clear targets and timelines.

Most countries have some type of national training institute that can be an important ally for providing such training. In Costa Rica, Central America, the national training institute (INA), funded through a tax on all wage earnings, provides training for artisans in fields such as restaurant and hotel operations, and in many trades useful (such as carpentry, fleet maintenance and foreign language skills). The national tourism institute (ICT) also trains and certifies local guides, and these programmes have benefitted local guide

associations that operate in protected areas such as Guayabo National Monument. This training is provided not only in the capital city but also through courses in secondary towns and rural areas. The international non-governmental organisation (NGO) RARE sponsored a multi-year initiative to train bilingual local naturalist guides at many protected areas in Mexico and Central America. Box 2.7 provides details of a training initiative in Southern Africa.

Box 2.7: Building local guiding skills

In southern Africa, the African Safari Foundation (ASF) works with local guiding associations, private companies and national training institutes to develop field guides from rural villages for employment in high-value ecotourism ventures in and around parks, including in concessions. This involves supporting trainees to overcome their low education levels by offering not only bridging courses using suitable learning materials but also a range of supporting skills including language and communication training. A vital part of the programme is an internship where the trainee guide gains practical experience working in an established operation under the mentorship of a seasoned senior. Experience shows that such a comprehensive approach is required to offset the considerable obstacles faced by youngsters growing up in environments of neglect and disadvantage.

Social investment

Concessionaires often focus their corporate social responsibility on spending in the communities surrounding their operations. This can result in sorely needed investment in social infrastructure such as schools and clinics, support for local education and health initiatives, and environmental awareness drives such as Wilderness Safaris' 'Children in the Wilderness' programme (see Chapter Twelve). Given the severe infrastructure deficits and limited government budgets that characterize societies in developing countries, such investments can enhance the welfare of local communities. In Mozambique, for example,

a relatively small investment in a water pump and support infrastructure by an eco-tourism lodge on the banks of the Massingir Dam transformed the lives of the neighbouring community by providing them with a reliable water supply for the first time. However, a note of caution is needed here: any investment in social facilities must be coordinated with government and other agencies to ensure that the support and budgets for long-term operation and maintenance are in place. Too often, well-meaning operators rush into social investments only to discover that there is no agency to service the facilities in the long run. Box 2.8 provides an African example of social investment.

Box 2.8: Social investment—andBeyond and the Africa Foundation

andBeyond, one of Africa's largest safari lodge operators, established the Africa Foundation in 1992. This foundation focuses on four key areas: education, healthcare and clean water, income generating activities and environmental awareness. Today, the foundation manages not only andBeyond's own social responsibility expenditure, but actively raises money as a registered charity in the USA and the UK. It identifies, funds and supports more than 40 community projects around andBeyond's lodges in Botswana, Kenya, Namibia, South Africa and Tanzania.

For more information see africafoundation.org.

Case study: Madikwe Game Reserve⁶

Around the time of South Africa's first democratic election in 1994, the government converted a block of formerly white-owned cattle ranches along the Botswana border into a protected area because it believed that a new wildlife and tourism complex would be the most efficient economic use of the land. Madikwe was primarily conceived not as a nature preserve but, rather, as an economic asset. Its main objective (unlike most protected areas globally) was not biodiversity conservation but the efficient generation of economic benefits through a market-based approach that relied heavily on private investment and expertise.

Madikwe quickly became South Africa's leading example of a market-based approach to business development in state-owned protected areas. The land, wildlife and related service infrastructure remained state-owned and managed, but all commercial lodges and activities were developed and managed by private firms under long-term concessions involving 'build-operate-and-transfer-back' arrangements. The introduction of private firms into state-managed parks and wildlife-rich communal lands has since spread to many other areas as they 'commercialize' in search of greater efficiency, cost recovery and the local economic development.

Since its establishment, Madikwe has been remarkably successful, emerging as an important driver of regional development. By 2007, the North West Parks and Tourism Board (the provincial protected area agency) had awarded more than 30 concessions for privately financed and operated lodges in the park. Relly (2008)⁷ estimated that the lodge concessions in Madikwe employed 773 people and paid formal remuneration of nearly US\$5.5 million in 2007. Local residents held 575 (74.4%) of the formal positions and received US\$2.6 million (48.4%) of the payroll. This research also suggests that, given regional ratio of one wage earner to about six household dependents, employment at Madikwe is likely to have supported as many as 3450 local residents in 2007, and boosted average household income in the highly impoverished neighbouring settlements by 65.7% over the eight years from 1999 to 2007.

In line with the emphasis on economics but recognizing that intervention was necessary to enhance the park's contribution to local development, a programme designed to build neighbouring residents' capacity to benefit from the park was launched in 1998. Under this programme, all concession

⁶ Adapted from Massyn, P.J. (2014) Making African safari lodges work for the poor: case studies from Botswana, South Africa, Namibia and Mozambique. Unpublished PhD thesis, University of Johannesburg, Johannesburg, South Africa.

⁷ Relly, P. (2008) Madikwe Game Reserve, South Africa – investment and employment. Chapter 12 in Spenceley, A. (Ed.): Responsible tourism: critical issues for conservation and development. Earthscan, London.

agreements included local 'empowerment' targets that set out the concessionaire's commitment to local employment, training and procurement.

But the programme also went a step further. One of the key innovations was to grant a limited number of concessions inside the park to neighbouring communities. This allowed residents of nearby settlements to participate in the mainstream of the new nature-tourism economy created by Madikwe as if they were private investors. Under this regime, two such groups obtained concession rights to prime tourism sites inside Madikwe. Both communities retained ownership of the concessions but secured private partners to assist with the management and marketing of the lodges. A recent survey⁸ showed that these two community-owned but privately operated lodges outperformed other concessions in Madikwe as generators of local economic returns. For example, in 2010, one of the community lodges delivered approximately US\$20,000 per bed to local residents (in the form of royalties, wages and small contracts) compared with an average of US\$6150 from comparable private concessions in the same park. But the survey also warned that the success of Madikwe depended on certain factors that are not necessarily easy to replicate elsewhere. These are discussed below.

Business-friendly approach

The Madikwe project was characterized by a commitment to the principles of market-based sustainability during all the stages of the project cycle (conceptualization, planning and implementation). The interventions of the support programme at Madikwe were consistently designed to increase the participation of local residents in enterprises that were geared to operate sustainably within the highly competitive market of wildlife tourism. As a result, the projects involved risk-bearing commercial partners, both as financiers and operators of the lodges.

Conducive institutional environment

The legal and institutional environment within which the Madikwe projects unfolded was generally favourable for the establishment of community-owned but market-based enterprises. The public-private partnership rules applying to commercial development of state-owned parks in South Africa are clearly articulated in national guidelines that provide a stable set of rules within which the roles, rights and responsibilities of the various parties are clearly defined. The community partners thus acquired concession rights from the state within a settled legal framework and were able to use these rights to structure advantageous relationships with private partners. Importantly, the arrangement sat comfortably within the 'new' conservation approach where the state sought to offset the costs of protected area management by generating returns through concessions. From the financial perspective of the conservation agency, the community was treated like any other private partner and was expected to pay a full commercial fee for the concessions rights. The park agency was thus not expected to subsidize the community concessions—the communities paid a fee comparable with that paid by private firms operating under standard concessions.

At the local level, much effort was expended to ensure that community entities had the capacity to cope with social complexity and operate successfully as owners of important business assets. The long-term success of these entities remains open to question and their stability over time will be an acid test of the projects' eventual success.

Long-term technical support and training

In the Madikwe projects, the contributions of the key players were carefully considered and appropriate roles defined at an early stage. So, for example, the role played by the support NGO was limited to that of facilitator; technical assistance was focused on building the participation of the community partners in the tourism market. Holding rights to a valuable commercial concession is an

⁸ Massyn, P.J. (2014) Making African safari lodges work for the poor: case studies from Botswana, South Africa, Namibia and Mozambique. Unpublished PhD thesis, University of Johannesburg, Johannesburg, South Africa.

important starting point, but this had to be converted into an advantageous set of arrangements through effective bargaining while simultaneously ensuring long-term commercial viability. Where local people lack the institutional coherence and technical capacity to bargain effectively, the potential advantages of their position as the holders of concession rights might easily be squandered. Appropriate and intensive assistance was therefore vital to ensure that the communities acquired the institutional capacity and other know-how to optimize their integration into the market. This involved not only the 'softer' developmental approaches that many NGOs excel at but also a strong business orientation underpinned by a thorough knowledge of the tourism sector.

The Madikwe projects are remarkable not only for their delivery of benefits to local households but also because they show how groups of rural people, who used to be isolated from the centres of power and commerce, have to grapple with the rules of the formal economy as they integrate into the mainstream. The outcome of this process has been fascinating to watch: the ability of those who were previously on the periphery of the system to work with partners and within the ambit of the law is crucial if they are to integrate successfully into the market. This is a major challenge against a background where the system is traditionally seen as alien and discriminatory—and which continues to be skewed against very undeveloped rural areas—but it is a challenge that must be overcome if the community partners are to bridge the 'fundamental disconnect'⁹ that bedevils development in many African settings.

More than a decade after the projects started, the outcomes for the Madikwe communities were still promising. Although their institutions initially required significant support, they had managed to establish viable partnerships that were bringing not only benefits such as jobs and income but also intangible gains (such as those described in the previous two paragraphs) as they emerged from deep rural isolation into the mainstream of the tourism economy. However, the projects remain vulnerable not only to the vagaries of the tourism market (Madikwe is widely thought to have an oversupply of tourist beds) but also to the difficulty of maintaining the coherence of institutions that represent often diverse community interests. Only time will tell whether these innovative projects remain successful as drivers of local economic advancement.

The case study from Mozambique later in this chapter highlights how the thinking and lessons learned from places like Madikwe have been transported to other protected areas and communities.

Entrenching the approach

This chapter has argued that concessions provide a potentially powerful tool for advancing local economies, especially those surrounding protected areas in developing countries. But if this potential is to be achieved, the pro-poor principles and indicators discussed in this chapter must become an integral part of concession policy and practice, always keeping in mind, of course, the point made earlier that these requirements may come at a cost

to the concession operator, and that profitability must be safeguarded.

If concession businesses are to become more inclusive, a commitment to local participation must be a protected area agency priority and permeate the entire concession life cycle, from planning through to awarding contracts and then contract management. Concession prospectuses should contain requirements for bidders to address these issues when submitting their proposals and these should be heavily weighted in the mix of criteria used by agencies when evaluating proposals (see Box 2.9 and Chapter Five). The socio-economic proposal of the winning bidder or applicant should then be incorporated into the concession contract as a set of enforceable obligations, which the agency should monitor throughout the life of

⁹Gibson, A.; Scott, H.; Ferrand, D. (2004) Making markets work for the poor: an objective and an approach for governments and development agencies. Woodmead: The ComMark Trust, p. 10.

the concession. This last point is vital: once a set of commitments is captured in a concession contract, the primary lever available to protected area managers is compliance monitoring and enforcement. Agencies, especially in the developing

world, often focus heavily on the award process and neglect the need to build the organizational capacity needed to manage the resultant contractual obligations.

Box 2.9: Example of a Namibian score sheet used to evaluate bidders' socio-economic proposals—general guidelines

1. The weighting allocated to the Empowerment Plan in the overall evaluation of the Proposal is 25%.
2. The Empowerment Plan will be evaluated and awarded a score out of 100 in the manner indicated below.
3. The minimum threshold for the Empowerment Plan score is 50 points, and if the Proposal scores less than 50 it may, at the discretion of the evaluation panel established by the Conservancies, be rejected in its entirety.
4. The Conservancy requires assurance that the Empowerment Plan proposed by Bidders will be translated into genuine commitments when the Project is implemented. For this reason, the Empowerment Plan will become an integral part of the Concession Operator Contract to be entered between the Project Company and the Conservancy, and the Project Company will be required to report regularly on its performance in the each of the six empowerment categories referred to below (see also Clause 10 of the Concession Operator Contract).

Criterion	Evaluation	Weight	Condition
#1a Community Ownership	Compliance	n/a	Mandatory requirement – see relevant paragraph in RFP
#1b Other National Ownership	Score	10	
#2 Strategic Representation	Compliance	n/a	Mandatory requirement – see relevant paragraph in RFP
#3 Employment	Score	35	
#4 Skills development	Score	30	
#5 Local procurement	Score	15	
#6 Social investment	Score	10	

Case study: Securing a community-private partnership for ecotourism development in the Maputo Reserve, Mozambique¹⁰

Background

This case study highlights the approach taken by the Government of Mozambique to attract private sector investment in the Maputo Reserve. A four-phase process was used that can be applied to scope, plan for and secure tourism investment in protected areas. The process involved the shaping and implementation of institutional procedures for procuring investment via a competitive tender and high-level government approval of two-tiered concession structures for the Reserve. The case study also describes the partnership model entered into between a private sector investor and a local community association for the development of the Ponta Chemucane site. In this process, the Government of Mozambique received technical and financial support from the International Finance Corporation and the World Bank. In addition, the local community association, A Hi Zameni Chemucane, received brokering and transactional support from the Peace Parks Foundation and the African Safari Lodge Foundation.

The Maputo Reserve

Mozambique's tourism policy framework identifies the Maputo Reserve as a priority area for tourism investment and recognizes the important role of private sector investment in protected areas to support local socio-economic development and help sustain conservation management. The Reserve, together with an adjacent marine reserve, forms one of Mozambique's premier protected areas and has global conservation value and excellent tourism potential. It is located in southern Mozambique and forms part of the Lubombo Transfrontier Conservation Area—a trilateral initiative to promote biodiversity conservation and tourism development involving Mozambique, South Africa and Swaziland. At 700 km² in area, the Reserve harbours a variety of ecosystems. The terrestrial landscape is characterized by grasslands, forests, lakes, floodplains and rivers. It contains remnant wildlife populations—about 350 elephants, numerous hippopotamus and crocodiles, prolific birdlife, some antelopes and recently introduced small populations of giraffe and zebra. Along the coast, the Reserve comprises sandy beaches and rocky bays, with coral reefs and abundant marine life including charismatic species such as dolphins, sea turtles and whale sharks in the adjacent marine reserve. While Maputo Reserve's potential for tourism development is currently concentrated along the coastline, in the longer run the area may combine exceptional bush and beach experiences in a single, accessible, destination.

The tourism investment facilitation process

Scoping and diagnostic: An assessment confirmed that the Reserve met the minimum conditions required to attract the level of tourism investment related to the quality of the resources, accessibility and investor demand. A legal due diligence study was carried out to check the availability of identified sites, review the required licenses and procedures for tourism investment in protected areas, and assess possible land-use conflicts in and around the Reserve.

Opportunity creation: The designed investment procurement strategy ranked the three identified investment opportunities—Chemucane, Milibangalala and Dobela—for different investor profiles (local, regional and international). The Ponta Chemucane site was earmarked for a regional operator with an established portfolio of African eco-lodges, experience with community partnerships, and a global marketing and sales network. The investment procurement strategy also emphasized the need for

¹⁰ Case study prepared by Michéle Souto, World Bank Group, Maputo, Mozambique. For further details please refer to: 1. The World Bank Group (2012) Facilitating tourism investment in the Maputo Elephant Reserve: the tourism investment generation approach. Washington DC, USA. 2. The World Bank Group (2012) Facilitating large-scale tourism resorts in Mozambique: the tourism investment generation approach. Washington DC, USA.

integration with the reserve's management plan. Important issues included the zoning of tourism developments, the relocation of public facilities and access routes to give concessionaires greater exclusivity, the regulation of visitor use, and the channelling of tourism revenues into the conservation management of the Reserve.

Investment outreach: The Reserve investment opportunities were marketed by means of a focused promotion campaign including direct engagement with the investment and tourism business community, attendance at conferences and industry events and dissemination of a regular newsletter. Feedback collected from the private sector was helpful in developing the investment procurement process.

Investment procurement: This phase involved the structuring and implementation of a procurement process aimed at securing private sector investment in the Reserve. Based on the two-tiered structure adopted by government, the tender was aimed at securing a partnership between a private sector operator with a local community association, to whom government attributed the sites' tourism concession rights. Box 2.10 describes the community partnership model applied in Maputo Reserve.

Box 2.10: Defining the community partnership model in Maputo Reserve

Based on reviewed regional experience—mainly in South Africa, Namibia and Botswana, where community involvement in tourism is well evolved—two concession options were assessed. The first option involved a direct concession from the state to a private firm with a high level of commitment to local participation and benefit. The second involved a two-tiered structure whereby the state would grant the concession to the local community who, in turn, would enter into a partnership with a private firm to develop and operate the business.

Given the local community's limited capacity and lack of experience, a direct concession to a private firm at Ponta Chemucane was considered the best model to reduce the risk of failing to attract quality investment. Although the two-tiered approach had been pioneered successfully elsewhere in the region, this concern and the fact that Mozambique was in the very early stage of developing its eco-tourism sector and had virtually no experience in community-private partnerships, made the indirect approach too risky.

In support of a stronger commitment to national ownership of productive assets, the Council of Ministers opted for the award of the Chemucane concession rights to Ahi Zamene Chemucane, a legal entity representing local residents in and around the site (Resolution 53 of 2009). The Council's resolution allowed the concession holder to enter into partnerships with private firms, subject to approval by the Ministry of Tourism, but it did not specify the terms of such partnerships or procurement method.

Results achieved

The Ponta Chemucane tender resulted in a 25-year landmark agreement for the development

and operation of a US\$2.5 million ecotourism project between the Chemucane local community and a private sector investor. A 36-bed eco-lodge is under construction and it is anticipated that its operation will create about 50 direct jobs in an area

with few employment opportunities, and that it will generate other benefits to local communities from revenue sharing and training. The lodge should also contribute to the long-term conservation management of the Reserve, mainly through the payment of annual concession and other tourism-related fees.

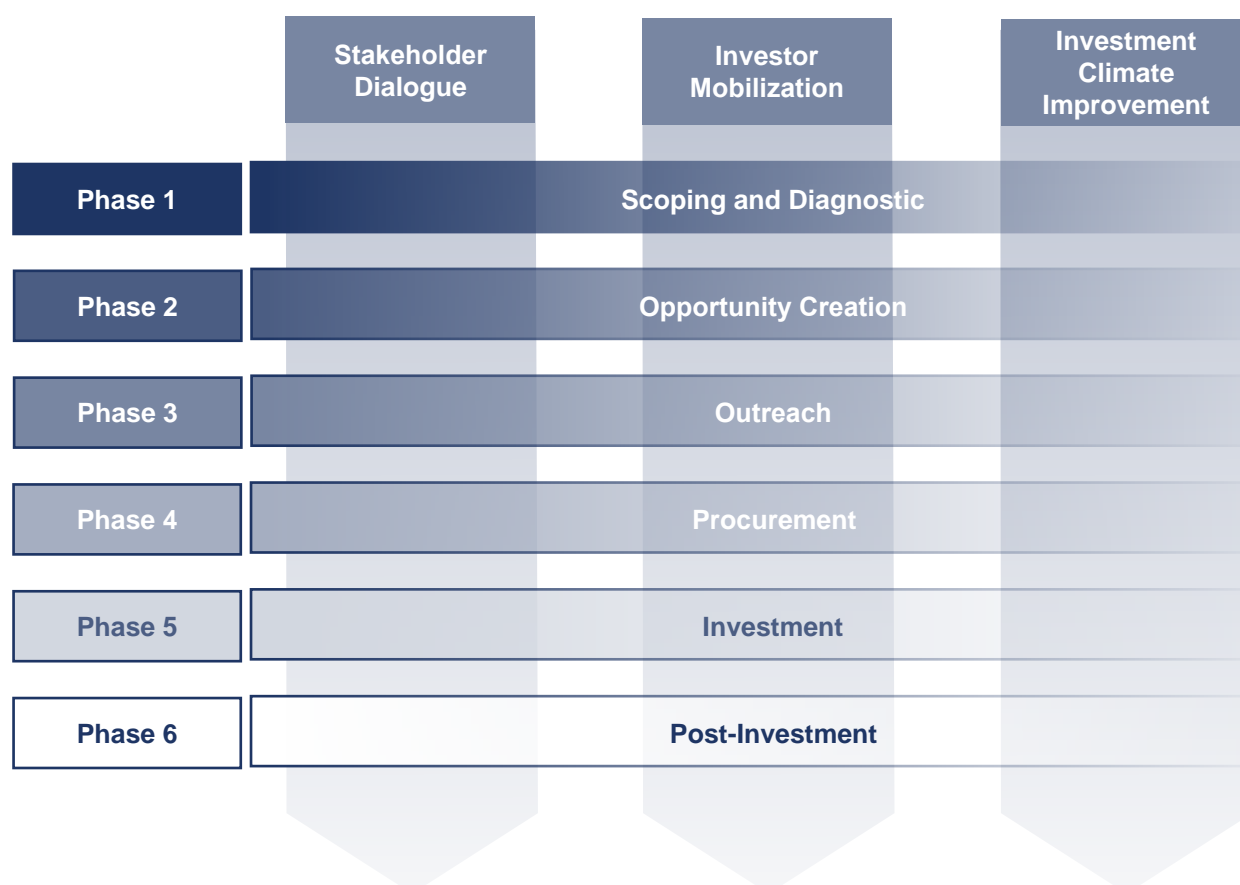
Further experience and lessons from Mozambique
There are other useful lessons from the work and practical approach developed and undertaken jointly by the government of Mozambique and the International Finance Corporation that other countries can apply as they establish their concession systems.

The Investment Generation Approach used comprised a six phase process developed to guide

investment facilitation activities (Figure 2.2). This starts with a scoping and diagnostic exercise and concludes with post investment support. Cutting through all six phases are three vertical work streams:

- I. Stakeholder dialogue: involves building the capacity of counterpart institutions and coordinating with partners and other interested parties at national, provincial, and local levels.
- II. Investor mobilization: constitutes the core process of the approach: investor identification, investment outreach, and conclusion of deals.
- III. Investment climate reform: entails identifying constraints to investment and improving the business regulation, specifically those needed to conclude the envisioned deals.

Figure 2.2: The six phases of the Investment Generation Approach used in Mozambique¹¹



¹¹ The World Bank Group (2012) Facilitating tourism investment in the Maputo Elephant Reserve: the tourism investment generation approach. Washington DC, USA. P. 6.

¹² Adapted from: The World Bank Group (2012) Facilitating tourism investment in the Maputo Elephant Reserve: the tourism investment generation approach. Washington DC, USA. P. 28.

The six phase process shown above reflects the social, political and economic climate of the country where this system was developed. It is unlikely that there is a perfect 'one size fits all' process. While the process used in this case study and those presented in other case studies do have steps in common, the real key is to have clear process, that is scalable to different situations, that works and is repeatable.

Further lessons relate to key tourism investment issues identified that needed to be overcome in order to award concessions, work with communities and retain revenue in protected areas. Table 2.2 lists concessions investment issues and how these have been tackled in Mozambique.

Table 2.2: Concession investment issues and interventions in Mozambique¹².

Issue	Intervention
<p>Lack of clarity on the role of special licences in awarding tourism concessions in protected areas.</p> <p>To operate in protected areas, all activities had to be granted a special licence. But special licences had not been regulated, so their legal status and the procedures for their award were unclear.</p>	<ul style="list-style-type: none"> • Design of a concession structure that was not dependent on special licences whereby the state awards development and business rights to 'head concessionaires', through a concessions process approved by the Council of Ministers and published in the Republic Bulletin (Resolutions 51, 52, 53/2009). • Concessionaires were allowed to subsequently enter into partnerships with private investors to implement the tourism projects.
<p>No framework for awarding commercial concessions in protected areas.</p> <p>The absence of a formal concession framework for investment in Mozambique's protected areas created uncertainty and undermined investor perceptions about the government's ability to execute tenders in these areas.</p>	<ul style="list-style-type: none"> • The concession structure and processes followed in the case of the Maputo Elephant Reserve were largely short-term measures designed to enable the Reserve tender process. Long-term reforms were needed to entrench the gains. Regulations need to be developed to govern the award and management of tourism concessions in protected areas, based on some of the elements applied in Maputo Reserve. • Development of guidelines for dealing with unsolicited bids and direct negotiations, which define how to screen, respond to, negotiate with or terminate bidders (unsolicited or prequalified). • Development and approval of a national conservation policy and strategy (Resolution 64/2009) defining the principles for investment in protected areas as a way to secure financial and conservation sustainability.
<p>No model for community participation in tourism concessions in protected areas.</p> <p>There is a strong political desire for increased community participation in commercial concessions in protected areas, but no set model for achieving such participation.</p>	<ul style="list-style-type: none"> • Piloting of two approaches for community participation in the Maputo Elephant Reserve: <ul style="list-style-type: none"> —At Ponta Chemucane, the state granted concession rights to a community legal entity which then formed a partnership with a private investor. At the other two sites (Milibangalala and Dobela), concessions were granted to a state-owned company. However, the recommendation was to generate community benefits through different tools, including ownership, employment, training, local procurement, and social investment.

¹² Adapted from: The World Bank Group (2012) Facilitating tourism investment in the Maputo Elephant Reserve: the tourism investment generation approach. Washington DC, USA. P. 28.

	<ul style="list-style-type: none"> The community development agenda was well integrated into the competitive tenders, through applying a heavy weighting towards these aspects in bid evaluations and entrenching them contractually in concession and partnership agreements. This set a best practice example for replicating at other sites.
<p>No model to generate income from tourism investments in protected areas.</p> <p>The government had a fee structure in place so that revenue from protected areas would fund their protection and development, but the system did not cover revenue from private investment in protected areas. Furthermore, it was not structured to ensure that protected areas generating the most revenue receive proportional reinvestment.</p>	<ul style="list-style-type: none"> Piloting an approach that requires investors to pay market-based fees for commercial concessions. Since the state cannot receive such additional fees, it was agreed that an intermediate entity would hold a 'head concession' and collect fees from the commercial operation, with 80% of the revenue earmarked for reinvestment in the Reserve. Promulgation of Decree 15/2009, formalizing the distribution of revenues derived from protected areas and securing a fair share to communities and conservation management. In the long term, it is recommended that the new state agency for protected areas be empowered to set and receive market-based fees for commercial concessions in protected areas and to distribute such income in a way that ensures a significant percentage is reinvested in the area where it was generated. This is necessary to ensure sustainable funding for protected areas and to build local incentives for sound conservation management.



The coastline along the Maputo Reserve. Photo: Michéle Souto

The pro-poor practice advocated in this chapter is challenging, particularly in developing countries where protected area agencies are mostly under-resourced and over-stretched. But if concessions are to fulfill their considerable promise as drivers

of local economic advancement, it is essential that agencies in the poorer parts of the world develop the political will, legal instruments and organizational resources for long-term success.

SUMMARY

Protected areas can contribute to both biodiversity conservation and development in local, regional and national economies. In developing countries, where poverty levels are generally high, state resources limited and jobs scarce, protected areas must justify their existence; not just on biodiversity and recreational grounds but also (and especially) as contributors to the socio-economic advancement of their societies. Protected areas—and the businesses they sustain—face a particularly daunting challenge. Protected areas can be economic drivers in their surrounding regions but cannot cure all economic ills and protected area staff should be careful to manage expectations so that they remain realistic and achievable. Nevertheless, concessions are powerful instruments that can be used to secure greater benefit for local people and other citizens. This chapter has examined some of the challenges facing tourism concessions in developing countries and, using case studies, has provided principles and indicators that can be applied elsewhere.

ACTIONS

1. Develop the will, legal instruments and capacity to implement a pro-poor approach to concessions in protected areas.
2. Build on the experience of others.
3. Use value chain analysis to understand the manner in which concessions in protected areas provide pro-poor benefits and to find ways to expand their economic benefits to marginalized populations.
4. Optimize the number and value of jobs for local residents.
5. Promote ownership of concessions by local communities, citizens and other disadvantaged groups. Require concessionaires to commit to training programmes for local residents with clear targets and timelines.
6. Stimulate local economic development by requiring concessionaires to make binding commitments to buy locally, especially from women.
7. Encourage concessionaires to focus their corporate social responsibility on spending in the communities surrounding their operations but ensure that such investments are coordinated with government and other support agencies.
8. Use procurement practice as well as concession agreements to promote greater benefit for local, regional and national groups.
9. Avoid excessive reliance on tourism when integrating local communities into protected area economies. Instead, ensure that tourism returns are part of a diversified set of livelihood activities.
10. Avoid building unrealistic expectations about the potential of parks as drivers of economic growth.
11. Maintain a business-friendly approach that recognizes the need of concessionaires to operate profitably within the highly competitive ecotourism market.
12. Contribute to an enabling legal and institutional environment through advocacy, participation in industry associations, etc



Guided horse riding through the boreal forests of northern Mongolia with Keith Swenson



Concession planning worked well with an interdisciplinary team of made up of a tourism expert, economist, ecologist, concessions staff who visited key sites and worked with local communities and local tourism operators along the way. Kunene Region, Namibia



Boating on Lake Tasman, which is fed by the retreating Tasman Glacier provides visitors with a fun experience, that is spectacular and allows people to see firsthand the impact of global warming. Aoraki/Mt Cook National Park. Photo Ray Bellringer



Hotel accommodation in some of China's protected areas is built and operated by the park service. Opening these business opportunities up to dedicated tourism companies under concession arrangements is likely to result in more visitors and a higher rate of return for the protected area network.



Introduction

How can I develop my park so that it offers great services to visitors, earns income that I can put back into conservation and generates economic benefits for my region?

How many concession activities are too many and what should I do if my park has become over-commercialized?

These issues commonly arise with respect to concession activities. They can be addressed as two key problems:

1. Firstly, we don't have enough concessions. Protected area agencies often want to develop their concessions systems to provide more benefits to visitors and local communities and to increase agency revenue and/or the economic benefits of ecotourism. The planning challenge for this situation tends to be around identifying, planning for and allocating new opportunities for tourism businesses in a way that encourages smart investment. Generally, this means the agency will employ staff or contractors to develop processes and identify potential activities or sites that can then be allocated as business opportunities. The agency will do as much work as possible to get sites or business opportunities market ready. It will also be actively trying to attract high-quality concessionaires to take on these opportunities.
2. Secondly, in contrast to the first problem, we think we have too many concessions. Agencies may sometimes face the situation where they believe they have too many concessions, leading to overuse in particular areas. The planning issue here is to ensure the visitor experience and/or the park's landscape and ecology are not being degraded. The simple approach to this situation is to terminate concession agreements, but it is very difficult to simply terminate concessions when they provide jobs and income. Moreover, before making such drastic decisions, managers need to understand what the key issues are. For example, are they related directly to concessions or driven by a rapid growth in all visitors into the park? There are a range of possible solutions to perceived overuse problems and managers need to focus on the impacts of visitor and concession use and manage these appropriately. Management approaches may involve identifying and closing-down illegal operators, concentrating activities to constrain impacts, hardening sites, using quieter aircraft and changing flight paths, using larger and slower boats, increasing fees and implementing rationing systems.

This chapter provides managers with advice and ideas on how to plan for concession activities in situations where there may already be too many concessions or, alternatively, too few concessions. Concession-related issues can sometimes be the most contentious parts of traditional protected area planning, because they may not fit neatly into the aims of protection and wise use. Plans need to integrate all the desired outcomes for a protected area. However, traditional protected area management plans generally take a long time to produce and then have even longer operational time horizons, so they often struggle to deal effectively with concession-related issues that may arise quickly and require relatively urgent decision-making. Despite this, planning is vital for ensuring that agencies have some strategic direction for their commercial activities and that these activities benefit conservation management. Managers should be aiming, at all times, to produce a symbiotic relationship between concession and conservation activities.

This chapter does not address overall protected area planning or even tourism planning, as these are covered extensively elsewhere (see 'tools' below). However, very little information is available on how concession activities specifically should be addressed in planning and this chapter attempts to bridge this gap.

Planning for concession activities is also complemented by other tools and processes, including environmental impact assessment for concessions (Chapter Four), awarding concessions (Chapter Five) and monitoring of concessions (Chapter Seven), so this chapter should be read in conjunction with these.

Key messages

1. The management of concession activities can be separated into three elements—planning, allocation and monitoring.
2. Protected area plans need to be anchored in national and international as well as agency-specific strategies. For example, national tourism strategies are often overlooked in protected area planning.
3. Plans must be integrated across all protected area activities including biodiversity, pest and weed control, fire, recreation and tourism functions. Concession activities need to sit within this context and complement and support the desired outcomes for these other areas.
4. It is important to separate planning for concession activities from the allocation and awarding of concessions. Planning determines ‘what’ should be allowed and the allocation determines ‘how’ it is done. These are separate processes.
5. Dealing with concession issues will present some challenges to planning staff. From a concession perspective, plans need to be outcome focused rather than prescriptive and provide flexibility as well as certainty.
6. There are a number of tools and processes that managers can use if they wish to actively attract investment to expand the benefits of concession activities to protected areas, local communities and, ultimately, regional and national economies.
7. Concession staff need adequate and appropriate law, policies, planning, tools and processes to deal effectively with situations where there may be too many concessions, over-commercialization and negative impacts. Aside from measures that can be employed to mitigate the impacts of concessions, this chapter also presents a range of options that can be used by staff to address situations where there may be too many concessions.

concession plans for specific parks or protected areas need to recognize the park plan and its intent as well as wider regional and national tourism strategies. It is important to understand what trends and type of tourism a country is attracting and whether the tourism industry is in a growth phase or not. This will assist protected area managers to determine what type of experiences and products will be desirable for visitors and understand the size of the likely customer base. It can also help managers to understand what activities may attract investment from the private sector. Figure 3.1 illustrates the relationship of concessions

Discussion

To address the issues summarized in the introduction, this chapter is presented in three parts. Part 1 outlines some of the broader planning considerations that specifically relate to concessions. Part 2 provides advice and examples of what to do when a protected area agency wants to expand the benefits that concessions offer by developing more concessions. Part 3 presents a range of measures that can be employed in situations where there may be pressures on a protected area from too many concession activities.

Part 1: The planning context

Protected areas sit within wider social, economic and environmental contexts and their plans should consider these influences. National biodiversity and tourism strategies, agency-specific strategic directions, national policies and agency-specific finance plans will all impact on how protected areas can be managed. This broader context must be recognized by managers, concessionaires and planning staff and contextualized in protected area plans. In their excellent manual on ecotourism development, Drumm and Moore (2002) also point out the need to recognize the broader context for park and tourism plans. Specifically, tourism and

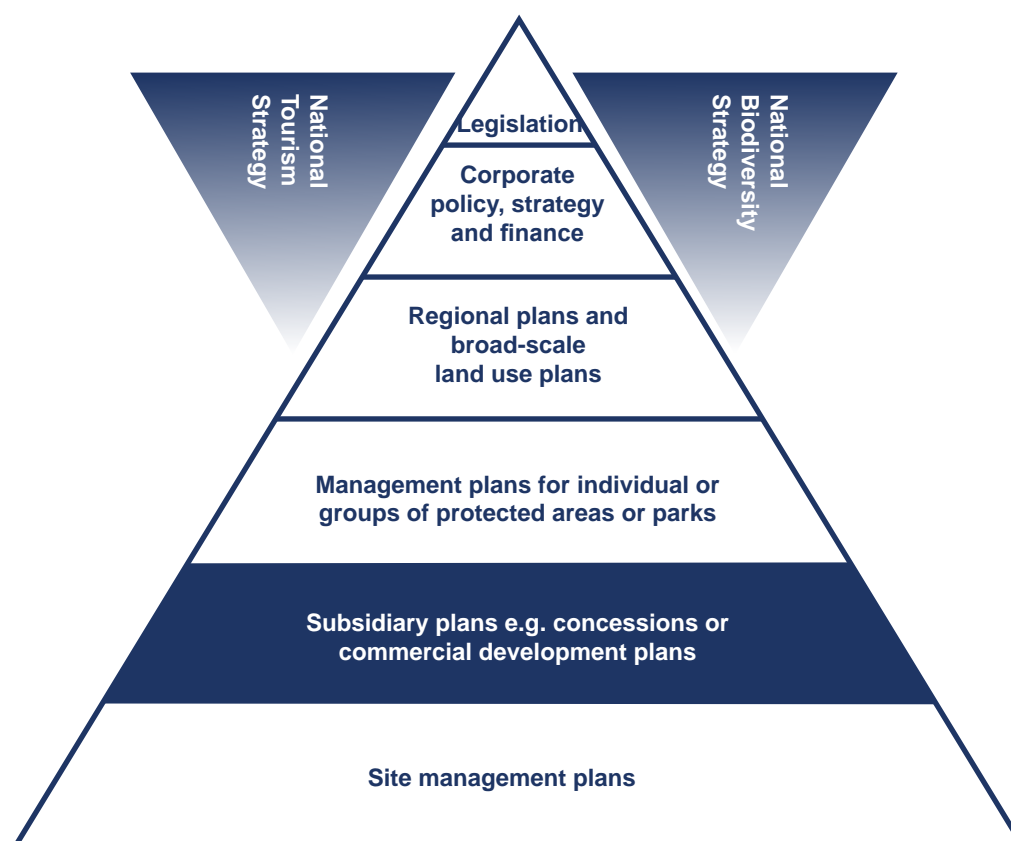
or commercial development plans with national tourism and biodiversity strategies and the other protected area planning systems.

In an ideal world, all national strategies would be completed before plans for particular protected areas are started.

At a minimum, concession staff will need to help planners ensure visitor services are discussed in general terms in protected area plans. For example, zones may need to be identified for commercial development that may include hotels and shops.

¹ Drumm, A.; Moore, A. (2002) Ecotourism development: a manual for conservation planners and managers. Part II. The Nature Conservancy, USA.

Figure 3.1: Planning hierarchy.²



The plan should detail the footprint for these developments, focusing on a maximum, but not minimum, size. The plan should do this in general terms and this would inform the development of a commercial and tourism plan or 'expressions of interest' process.

There should be complete alignment in plans from international and nationwide strategic directions right down to the tactical directions applied in individual protected areas, although this rarely occurs. Protected area agencies find that there is often a need to work on tourism and concession plans or issues regardless of what stage other planning issues or documents are at. The need to update or produce a protected area plan can be driven by a number of issues including a) the plan may be due for review, b) the protected area may have just been created or c) there is a need to manage rapid tourism growth or, conversely, further investment.

Whether separate tourism and commercial plans are developed or these issues are addressed through one overall management plan can often be a matter of judgement. In some cases, concession issues will be so significant that a review of a management plan will be largely driven by the need to manage commercial activities (see, for example, the Abel Tasman National Park case study below). In other cases, tourism plans will be produced first and used to inform and shape the direction of the management plan (see the Namibian case study below).

If tourism or commercial plans are produced separately, their provisions need to be integrated into the overall management plan. This should tie the protected area's biodiversity and protection goals to its visitor and concession management goals. This integration is vital for ensuring that the key purpose of a protected area remains protection and that the natural and cultural environments

² Adapted from Thomas, L.; Middleton, J. (2003) Guidelines for management planning of protected areas. Best Practice Protected Area Guidelines Series No. 10. IUCN Gland, Switzerland and Cambridge, UK. 79 p.

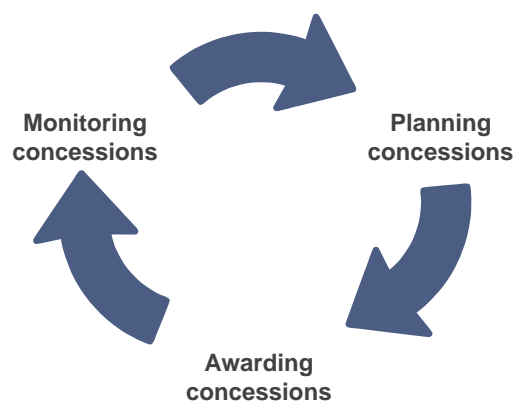
within it form the basis for all other uses³. Another important reason for integrated planning is that protected area managers need to determine what services and facilities their agency will provide to the public and what complementary services and facilities the private sector will provide. Only when these two inputs are properly provided will visitors be able to have high-quality experiences, using the services and support they require without experiencing the conflict, crowding or over-commercialization that can so easily detract from a worthwhile and enjoyable experience.

In a sense, it helps to think about concession work in three parts—planning for concessions, awarding concessions and monitoring concessions. The US National Parks Service (NPS) has formally adopted this model and calls it PAM (planning, allocation and monitoring). There are, of course, interrelationships and feedback loops within these components, as illustrated in Figure 3.2.

It is entirely possible that a protected area agency will have some parks with the potential to provide greater benefits and others that may be overdeveloped. Concession systems and staff need to have the flexibility and skills and to adapt to both situations. This requires them to have a) the full range of systems and tools, b) the time, resources and skills and c) the political support to manage these situations.

Parks and visitor destinations often go through life cycles. Concessionaires and protected area managers must be able to recognize when the situation in a particular area is transitioning from having enough concessions to a situation where there are too many visitors or unacceptable impacts. With long planning horizons for management plans, managers and existing concessionaires may need to adopt different strategies within the life of a management plan. One helpful way of thinking about this situation

Figure 3.2: The three parts of managing concessions.



is to use Butler's well known tourism life cycle⁴. In 1980, Butler developed a model that shows how a tourist resort or destination in a national park may evolve. From a tourism perspective, a particular protected area may start off being a small, low-key, destination for local visitors but then gradually become a destination that is an icon for international tourism. Butler suggests that all resorts or destinations go through the same sort of process, although it is necessary to remember

that the model is a generalization and other factors, such as a global financial crisis or safety and security concerns, can also affect visitation patterns. However, it is still valuable, and the seven key steps and their relationships with tourism concessions are outlined below.

1. Exploration: A small number of tourists visit the area. The area is unspoiled and few tourist facilities exist. There will be few concession activities or services available at this point and

³ Eagles, P.J.; McCool, S.F.; Haynes, C.D. (2002) Sustainable tourism in protected areas: guidelines for planning and management. Best Practice Protected Area Guidelines Series No. 8. IUCN Gland, Switzerland and Cambridge, UK. 183 p.

⁴ Butler, R.W. (1980) The concept of a tourist area cycle of evolution. *Canadian Geographer* 24(1): 5–12.

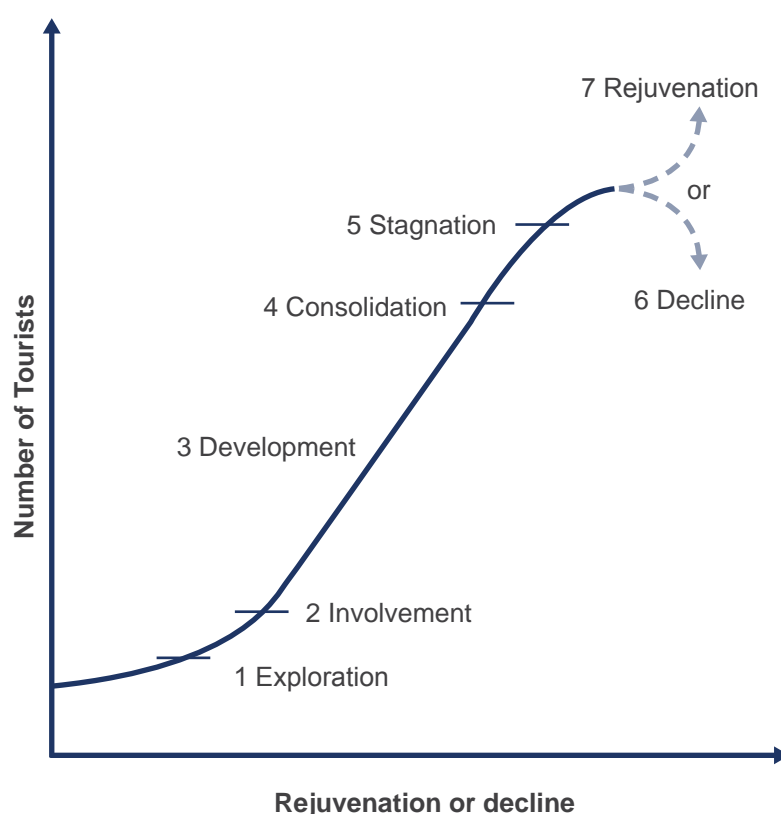
this is when a protected area agency may want to encourage investment.

2. Involvement: Local people start to provide some facilities for tourists. There starts to become a recognized tourist season. Concession operations are generally small and locally owned. The marketing done by concessionaires can continue to help make the area popular. This is a good time to plan for growth—getting ready for the next phase of development, managing the effects of existing visitor activities and ensuring that a high-quality visitor experience

remains central to the protected area's mission. During this and the next phase, applications for concession activities will be forthcoming and the protected area agency may struggle to keep up with this interest.

3. Development: The host country starts to develop and promote the area. It becomes recognized as a tourist destination. The number of concessions grows and existing concession activities get busier. Concessionaires and the public may start to voice wider concerns about impacts and specific plans will need to be put in place

Figure 3.3: Butler's seven stages of tourist development.



to manage effects. Concession revenue will be growing significantly and fee formulas should be structured to keep pace with increasing growth. Competitive allocation processes for concession opportunities are likely to provide the best return.

4. Consolidation: The area continues to attract tourists, but the growth in tourist numbers may not be as fast as before. Some tensions develop between the host communities and the tourists. Tenders will be needed, not to encourage investment but to get the best return for the few

limited opportunities that remain. Ownership of concessions activities is likely to consolidate into larger nationally- or internationally-owned corporates.

5. Stagnation: Facilities for tourists may decline as they become older and more run-down. The numbers of tourists may decline too. Fresh investment or renovation is needed. This is often a time when the tourism industry will try and target new markets and focus again on numbers of visitors rather than on the value and quality of the visitor experience. New markets can sometime mean visitors from new source countries and a return to mass markets such as coach-based tourism.
6. Rejuvenation: Investment and modernization may occur which leads to improvements and visitor numbers may increase again. Concession

facilities will need to upgrade or evolve to meet the needs of a more environmentally conscious market that wants authenticity and to interact with nature.

7. Decline: If the resort is not rejuvenated (stage 6) then it will go into decline. Tourism-related jobs will be lost and the protected area agency may lose revenue. The image of the area may suffer. This is especially true if the quality of the visitor experience is not maintained and if the area has been allowed to become too commercialized.

Figure 3.4 shows a hot pool development in Chile that requires rejuvenation. Box 3.1 provides an Australian example of planning for concession activities while Box 3.2 provides another Chilean example.



Figure 3.4: Hot pool operation in Chile's Puyehue National Park showing older developments that now need reinvestment to create a more natural and authentic hotpool experience.

Challenges for planning staff

Protected area planners face a number of specific challenges when including concession activities in their plans. It is important that planners understand these and do their best to address them in their planning processes.

- To attract investment, concessionaires need as much certainty as possible. From an investment perspective, it is not possible to put concession applications on hold indefinitely while protected area plans are completed—investors will simply invest elsewhere.
- Depending on the approach taken by planners, plans can vary from providing outcome statements for places, to generalized guidelines for decision makers, through to absolute rules. While rules provide clarity, which is always helpful; it is also good to have some flexibility so that unusual or innovative ideas can be considered. Linked to this is whether plans should define all possible activities or be more outcome focused. The outcome-focused approach is generally better for concession management purposes.

Box 3.1: Planning for concession activities on Great Barrier Reef, Queensland, Australia

On Australia's Great Barrier Reef, most concession activities relate to some form of boating (diving and the operation of pontoons). In this context, tourism is relatively easily planned by zoning the reef into areas where tourism is allowed (under different intensities) or not allowed. Only in the areas of intense use are specific concession/tourism plans to define specific activities and at what level those activities will be permitted. On the GBRMPA website are a series of zone based maps with activity keys that demonstrates how this zone based planning is applied across the Great Barrier Reef. Refer to <http://www.gbrmpa.gov.au/zoning-permits-and-plans/zoning/zoning-maps>

Box 3.2: Visitor conflict with commercial operations in Chile

At the popular Vicente Pérez Rosales National Park in Chile there is a busy walk to a view point set within a series of waterfalls located in a dramatic volcanic mountain landscape. While the area is very busy, even crowded, most visitors understand this and appear to tolerate it. The car park was usually full of coaches and there were small retail stalls and toilets set up along the walk that would, ideally, be located in a development zone either outside the park or near where the coaches are parked. However, what did not appear to be tolerated by visitors or stall holders was the nearby commercial jet-boat that roared up the river and spun into view at the base of the waterfall. It is clear that the sound and sight of the jet-boat detracted from the spectacular natural noise and sight of the river and waterfalls which people had come to see. The jet boat operation was clearly a step too far in the over-development/commercialization of the site. This was recognized by the park's managers and was being addressed in a review of the parks management plan.



The popular and dramatic waterfalls in Vicente Pérez Rosales National Park and the boat operation that many people (including other concessionaires) commented unfavorably on.

⁵ <http://www.gbrmpa.gov.au/zoning-permits-and-plans/zoning/zoning-maps> (accessed 23 June 2013).

- A lot of effort and resources can be expended on planning and this needs to be balanced against the need to be able to implement plans quickly and easily to assist in managing activities.
- Many protected areas will have the potential to increase concession-related benefits. Protected area staff are generally not very entrepreneurial in their thinking, so they need to make an effort to engage a multi-disciplinary team that engages with the private sector, conservation and local communities to develop a tourism plan that can be incorporated into the overall protected area management plan.
- Where protected areas are either vulnerable to change or already developed, it is entirely appropriate that plans direct development activities to places outside the area. Planners will still need to work with concessionaires and the tourism sector, since they will have a significant interest and impact on how the protected area is managed.
- Not all protected areas should have commercial activities—some may not have a location that is appropriate for developing facilities. Where this is the case, visitor services can still be provided, but only through activities that begin and end outside of the area (for example, a guide who is located in a nearby town could have a permit to take small groups of people into the area and provide interpretive trail hikes). Other places should remain without any development or organized commercial activities. At the other end of this spectrum, there are protected areas that have become very popular and then struggle to retain high-quality visitor experiences or manage the impacts of overuse or too much commercialization. In these cases, concessions will be a significant issue in the protected area planning processes. Planning staff should stay outcome-focused in these situations and describe clearly the way their protected area should look and be experienced in the future. This will need to be done with involvement of the public, including current concessionaires, but must be led by protected area agency staff. Concession staff will need to work on the detail with planning staff and with the cooperation of concessionaires to implement the outcomes stated in the plans. Protected area plans are the best place to deal with the cumulative impact of activities.
- It is very difficult for plans, which may have ten-year life spans, to predict changes in tourism trends, what new recreation activities may materialize or what concession applications may be received over the life of the plan. For these reasons, plans may be better to have short operational terms—perhaps five years—or there should be a process in place that allows for parts of them to be easily reviewed as the need arises. In addition, outcome-based plans, rather than prescriptive, rule-based plans may be more useful.
- It is likely that concession staff and concessionaires will be some of the biggest users of the protected area management plan. Planners need to set aside any personal bias and develop plans that are consistent with the needs of the public while also ensuring that the resource is protected.
- Many conservation staff in protected areas are, at best, not very keen on concessions operating in the 'their' areas. It will be unhelpful if planners reflect behaviour that discourages concessions. Plans should aim to both protect the environment and maximize the benefits that can come from working with good concessionaires.
- Protected area plans will often detail how concessions will be considered and awarded. This is not appropriate, as procedures for evaluating and awarding should be documented, agency-wide processes that are made available on the agency's website. Plans should focus on defining the desired outcomes for the protected area and avoid describing operational activities.

Apply the principles of ecotourism to concession management in protected areas

Some concession activities like guiding and eco-lodges fit naturally into ecotourism definitions while others, such as large ski areas, hotels and airports generally do not. However, even large operations not normally thought of as 'environmentally friendly' can still contribute to conservation. To help achieve this it is useful for protected area staff to borrow from the lessons learned in the field of ecotourism and incorporate some of these principles into their planning. It is already well recognized that

tourism can contribute to conservation in a number of ways⁶. These contributions also apply to all concessions and can be summarized into five groups, as outlined by Christ et al⁷:

1. Constituency-building, which promotes biodiversity conservation
2. An impetus for private biodiversity efforts
3. A source of financing protected natural areas
4. Economic alternatives for local people to reduce over-exploitation of natural areas, the raw materials or wildlife that these areas contain
5. Providing an economic justification for protecting areas

Christ et al. (2003) also suggests that if conservation lands are to be managed well, and aligned to local and rural community needs, then they should also contribute to the economic aspirations of local communities. If conservation does not contribute to society, then support for it at local and then wider political levels will decline (Holden, 2000). This is particularly relevant in developing countries.

Studies from the field of ecotourism have shown that tourism can contribute more directly to conservation by providing not just an additional rationale for the protection of areas, but by actually undertaking conservation projects and programmes. Budowski's formative paper in 1976⁸ suggested that the relationship between nature conservation and tourism can be classified into three categories (coexistence, conflict, and symbiosis) but that the definition of ecotourism is 'a symbiotic relationship between conservation and tourism'.

While many authors suggest that a symbiotic relationship between the environment and tourism exists, others conclude that this is not the case⁹. From another perspective, much literature is dedicated to describing the negative effects of tourism, such as impacts on wildlife, degradation of water quality and landscape or air transport's contribution to global warming.

There are three main principles to ecotourism and it can be argued that these should also apply to all concession activities operating in protected natural areas regardless of whether they are an ecotourism operation or a traditional tourism operation such as a hotel, ski area or retail outlet. The three principles¹⁰ for ecotourism are:

- a) Minimal impact management
- b) An informal and influential environmental interpretation programme
- c) A significant contribution to conservation of the natural environment

Other researchers^{9,11}, agree that 'contributions to conservation' by a tourism operator is a primary criterion for assessing whether that operator is an ecotourism operator.

Some studies¹² have also explored the potential benefits of tourism and conservation working more closely together for mutual advantage. These studies highlight that while much tourism relies directly on the natural environment or operates in protected areas, all tourism has a stake in the health and welfare of the country's biodiversity, natural landscapes and protected areas. Furthermore, the authors of these studies recognize that impact mitigation is not enough and

⁶ Holden, A. (2000) *Environment and tourism*. Routledge, New Fetter Lane, London, UK.

Eagles, P.; McCool, S.; Haynes, C. (2002) *Sustainable tourism in protected areas, guidelines for planning and management*. IUCN Publication Services Unit, Cambridge, UK.

⁷ Christ, C.; Hillel, O.; Matus, S.; Sweeting, J. (2003) *Tourism and biodiversity, mapping tourism's global footprint*. Conservation International, 1919 M Street Washington, DC 20036, USA.

⁸ Budowski, G. (1976) *Tourism and environmental conservation: conflict, coexistence, or symbiosis?* *Environmental Conservation* 3:27–31.

⁹ Mathieson, A.; Wall, G. (1992) *Tourism: economic, physical and social impacts*. Longman Ltd, Essex, UK. 208 p.

Buckley, R.C.; Pickering, C.; Weaver, D.B. (2003) *Nature-based tourism, environment and land management*. CABI Publishing, Wallingford, Oxon, UK. 240 p.

Holden, A. (2000) *Environment and tourism*. Routledge, New Fetter Lane, London, UK. 225 p.

Worboys, G.; Lockwood, M.; De Lacy, T. (2001) *Protected area management, principles and practice*. Oxford University Press, Melbourne, Australia. 399 p.

¹⁰ Buckley, R. (2003) *Case studies in ecotourism*, CABI Publishing, Wallingford, UK. 272 p.

¹¹ Higham, J.; Carr, A. (2002) *Ecotourism visitor experiences in Aotearoa/New Zealand: challenging the environmental values of visitors in pursuit of pro-environmental behaviour*. *Journal of Sustainable Tourism* 10(4): 277–294.

¹² Preece, N.; Van Oosterzee, P.; James, D. (1995) *Two way track: biodiversity conservation and ecotourism: an investigation of linkages, mutual benefits and future opportunities*. Biodiversity Series Paper No 5. Department of the Environment, Sport and Territories, Canberra ACT, Australia. 88 p.

Department of Industry, Tourism and Resources (2003) *Pursuing common goals: opportunities for tourism and conservation*, Canberra ACT, Australia. 99 p.

the key challenge is to link the growth of tourism and ecotourism to a corresponding growth in conservation. Going even further is the suggestion that the principles of ecotourism should apply to the wider tourism industry, especially since the wider industry is also reliant on the health and welfare of the natural environment (Preece et al. 1995). In short, all businesses operating in protected areas need to aim for more than just minimizing their impacts—they must also support and benefit the continued protection of these areas. The ultimate test and aim for protected area managers is to ask themselves the following question:

Will this concession contribute to the long-term protection of this natural area and its biodiversity?

Part 2: When there are not enough concessions

The purpose of protected natural areas is to protect ecological systems, landscapes and biodiversity for the future, both for their own intrinsic values but also because this protection actually benefits humans through the provision of ecosystem services. Many protected areas should remain undeveloped for this reason. However, to foster support for protection through education, recreation and tourism and to generate some of the funding needed for management purposes; development at suitable levels is appropriate in some areas. If protected area managers want to expand the benefits that concession activities can offer, they need to a) identify suitable sites or opportunities, b) market these opportunities to the tourism sector, c) make the concessions process easy, fair and transparent and, finally, d) make it relatively easy (but not necessarily cheap) for operators to invest, develop and operate concessions. Part 2 sets out a process that protected area managers can follow if they want to foster further concession benefits.

There are a number of ways that protected area agencies can review their parks to encourage further concession activities. In some cases, one or more credible concession operators may have already expressed interest in development options that are consistent with existing planning documents, and all an agency needs to do is

define the parameters of what can be developed, process the applications or put the opportunities out to tender. In other cases, the agency will have developed some services for visitors but will see an opportunity to complement these services with those provided by a commercial operator. For example, the guided walks and 'luxury' accommodation operated by the private company Ultimate Hikes nicely complements the lower-cost 'freedom walker' option provided by the Department of Conservation on the Milford and Routeburn walking tracks in New Zealand. In other cases, a management plan may have already identified development sites or zones, so the agency can run an expression of interest process, getting ideas early on from the private sector (refer to Chapter Five and the case study from Western Australia).

The nine step process outlined below is another approach that can be employed when protected area agencies are planning for concessions, from a situation where there is no commercial activity. This model is similar to the processes used in the two case studies from Mozambique and Namibia provided later in this chapter. Figure 3.5 summarizes a nine step approach and highlights three cross-cutting consultation themes. Each of these nine steps is outlined in greater detail below. Note that the scope of the study can be broad—covering the development of a whole host of tourism activities—or narrowly designed to determine whether one specific activity may be viable.

1. Understand the market

It is important for protected area managers seeking to investigate the potential for concessions in the areas they manage to understand the national tourism perspective. Is the industry in a growth or development phase? Why do people visit the country and the area where the park is located? If the industry is growing, then there will likely be an appetite for further investment and a new opportunity in a protected area may be keenly sought. If the market is steady or in decline, then understanding what sectors are in decline will help managers determine where to pitch new opportunities. For example, if the mass tourism coach market is declining but backpacker or high-

Figure 3.5: Nine step approach to plan for tourism investment.



end markets remain strong, then it makes sense to foster sites or business opportunities that will cater for these parts of the market.

Protected area managers should also understand what tourism products their country is known for. Is it game viewing, adventure tourism, beach tourism, skiing, trophy hunting, weddings, filming or activities such as mountain biking, walking and hiking? Knowing which activities are in demand and which fit with the experience provided in particular areas should help managers to shape what opportunities can be offered. However, it is important that managers differentiate activities in different areas to offer complementary products that will not compete with each other. For example, in China's Gansu province, one protected area wanted to emulate the success of a nearby reserve run by the local government authority (Figure 3.6). The local reserve is a popular destination offering many picnicking and family fun park activities such as horse riding, bike hire, row boats, a flying fox, a walk to a temple, restaurants and accommodation. When the protected area developed and then offered the same products just a few kilometres away, the same products did not attract visitors. Therefore, managers of different parks and locations within parks should aim to develop complementary products that are less likely to

compete with existing products in nearby locations. For example, products such as wetland viewing walks, school conservation camps, guided nature walks and accommodation in mountain chalets, could be considered complimentary to the above activities and also in keeping with the protected area experience.

When new concessions are being planned, it is important to think about the experiences and activities that visitors want to participate in. People do not generally come to protected areas to lie around in a hotel room or by a swimming pool. They primarily come to experience nature, interact with stunning untouched landscapes, experience solitude, challenge themselves in the outdoors, observe biodiversity, exercise, and learn about other cultures. Planned concession activities should reflect this by not just focusing on accommodation and restaurants. Accommodation is a service and rarely draws people to a protected area; it is the natural setting and activities that are the attraction.

2. Commission a tourism study

Protected area managers can commission tourism studies for a site, park or even two to three parks. The purpose of these studies should be to:



Figure 3.6. The Tazishan National Nature Reserve in China has offered commercial activities (A, B) that compete with activities offered by the nearby local authority (C, D, E). Complementary activities to those provided by the local authority park, such as guided bush walks, may help to maximise visitor numbers. A cooperative approach and cross-promotion between the two sites may also encourage visitors to stay longer.

- a) Identify the optimal (e.g. low-impact, high-yield) tourism products that private operators (concessionaires) could invest in.
- b) Quantify the potential direct financial and indirect economic benefits (jobs, income, investment returns and multiplier effects) that stem from the creation of these business opportunities over the short, medium and long term.
- c) Ensure that these opportunities lie within the carrying capacity of the proposed site or park, its wildlife and surrounds, and that they are consistent with the park's management plan.

A typical aim for such a study would be to understand the existing situation and to demonstrate the potential and flow of future financial and economic benefits by using a terms of reference or project scope that requires a properly constructed project team or consultant to:

- a) Complete a baseline analysis by summarizing existing:
 - i. Supply (the product base)—the tourism products including lodges, occupancy rates, activities and attractions currently available in the proposed study area and immediately adjacent to it.
 - ii. Demand (the market)—existing visitors, country of origin, quantity, average length of stay, present and predicted rate of growth (over the next ten years).
 - iii. Benefit—direct and indirect (including the multiplier effect) economic value of tourism in the area including the income, employment and financial returns to the protected area and local communities.
 - iv. Strengths, weakness, opportunities and threats (SWOT) analysis for the development of tourism in and around the protected area.
- b) Determine potential new tourism products and their economic output by:
 - v. Identifying specific tourism products that are both sustainable and financially viable (in light of market trends) in the short, medium and long term. This should include an estimate of the initial capital and running costs, employment potential and projected returns for each product. The consultant or project team should identify a range of

products that will attract visitors to the area and support them once they arrive. This should also include estimates of revenue from concessions and park entry fees.

- vi. Outlining a range of models (leasing, joint ventures, total ownership) that will maximize returns while still ensuring that tourism ventures remain profitable and viable.
- vii. Quantifying the potential direct financial and direct and indirect economic benefits to the study area in terms of income, employment and investment returns.
- viii. Providing advice on how best to market the product idea to visitors both domestically and internationally—e.g. a brand based on the product range and comparative advantage of this area.
- ix. Ensuring that the opportunities, activities and attractions can be undertaken within the limits of the natural environment, that they do not impact adversely on the landscape or compromise the quality of the visitor experience, especially if remoteness and isolation are key features of the area.
- x. Identifying and describing the main environmental issues (ecological and social) that must be included in environmental assessments if the proposed tourism development concepts are to be fully developed.
- xi. Providing a draft terms of reference, a scope of future environmental impact assessments, and general environmental guidelines for tourism development within the study area.

To complete the above brief requires a multi-disciplinary approach and the project team will need a good range of skills including:

- Tourism business development expertise to understand tourism flows, develop ideas and undertake the financial modeling for new products.
- An ecologist to help design suitable products, evaluate sites and scope potential environmental impacts.
- An economist/financial analyst to take the product and financial data and model the potential economic benefits
- A senior protected area manager to help

determine what ideas may be viable and feasible from a protected area management perspective.

- Concession management expertise to manage the project, help with product development and scope potential allocation methods.

If a study like this is to be commissioned, it is always a good idea to let stakeholders, including community groups and existing tourism operators know about it and to let them know that their input is welcomed.

Including input from people with the scope and skills listed above should ensure that protected area managers get a good quality result from their study. However, such studies do impose a good deal of time and effort on protected area agencies, since the more effort (in terms of information, staff expertise and resources) the agency puts in, the better the result is likely to be. This is one situation where a protected area agency should not necessarily select the cheapest provider, as a good-quality study by an experienced consultant or team will set the stage for success later in the process.

Undertaking these sorts of scoping studies can be expensive. However, to make money, protected area agencies will sometimes need to spend money. Chapter Nine provides advice and some mechanisms that can be used to obtain resources for this type of work. Industrialized countries with established concession systems are likely to have revenue streams that they can tap into. In places where a concession system is just getting established, it may be possible to use development funds offered by international donor agencies or NGOs; or the cost recovery fees for participating in a tender for a new business opportunity (paid by businesses) can help to pay for the study that helped to scope the opportunity in the first place.

3. Undertaking the tourism scoping study

The project team will need to spend a reasonable amount of time visiting and exploring the study area and will also need the skills to engage openly with the protected area's stakeholder groups,

local communities and existing tourism operators; seeking their ideas, concerns, issues and tapping into their knowledge. This consultation also helps to increase buy-in to the final plan. Figure 3.7 shows tourism planning underway between operators, consultants and local community representatives at Hobatere in Namibia.

When a range of potential sites or opportunities for tourism concession development are being evaluated, it helps to have criteria that can be applied to assess their relative viability. Any criteria should incorporate the following:¹³

- I. **Visitor experience:** Is the quality of the attraction and the visitor experience that can be provided good enough?
 - a. Are there natural, cultural, recreational and historic features present (scenery, beaches, mountains, coast, wildlife, culture) that are likely to be attractive to visitors?
 - b. Are these features locally, regionally or nationally significant?
 - c. Are these features iconic or unique?
 - d. Diversity and range of features each day—does the journey unfold and surprise?
 - e. Is the imagery good enough to sell?
 - f. Can the visitor experience remoteness, peace, solitude, wilderness, natural quiet, and tranquillity with little sign of human development or commercialization?
 - g. Will the visitor have the opportunity for social interaction within and between groups (of the same type of users)?
 - h. Are there evocative interpretation stories that can be told?
 - i. Is there the potential for a range of activities (e.g. walking, mountain biking, kayaking, photography, nature study, cave exploration)?
- II. **Financial feasibility:** Would potential ventures be viable? What are the likely capital and operating costs and the financial rate of return to the business, community, protected area agency and government?
- III. **Economic:** What are the likely economic impacts of any venture, including jobs and secondary business multiplier effects?
- IV. **Social:** What are the likely impacts and benefits of the venture on host communities,

¹³ This information is adapted from a number of sources, including:

- Massyn, P.J.; Humphrey, E.; Grossman, D.; Barnes, J. (2009) Tourism scoping report, Kunene People's Park. Unpublished report prepared for Ministry of Environment and Tourism Directorate of Parks and Wildlife Management, Windhoek, Namibia.
- UNEP & WTO (2005) Making tourism more sustainable: a guide for policy makers, France.
- Thompson, A.; Bamford D. (2007) Iconic walking opportunities in Northland: a scoping report. Unpublished report prepared by Tourism Resource Consultants for Enterprise Northland. Wellington, New Zealand.



Figure 3.7: Tourism planning needs involve tourism consultants and park staff undertaking site visits and listening to the views of tourism operators and local communities.

other recreationists and the natural and cultural environments? What land claim settlements are in place? What are the views of the local community? Does the community have an agreement and mechanisms in place for who will benefit?

- V. **Conservation:** How sensitive is the area? What will be the impact of the venture? What are the key design impact mitigation measures? How will tourism in the area benefit conservation?
- VI. **Institutional and land status:** Does the protected area agency have the ability to implement new ventures? Are there overlapping jurisdictions, administrative or other barriers to investment? Is the area covered by a management plan and do the provisions provide for this concession?
- VII. **Concessionaires:** What are the views of existing and potential operators?
- VIII. **Access and facilities:** How will people reach the site? What is its proximity to existing tourism routes, power, roads, water supplies, waste disposal and airstrips? What is its

access to markets?

- IX. **Ongoing management:** Once the venture is established, what are the likely maintenance costs? Can staff be recruited readily? Can it expand?

It is difficult to properly value a site if protected area managers do not have a strong understanding of the tourism industry, with the risk that the use of the site is not optimized and is given away too cheaply or priced too high so it does not attract investment. A professional tourism scoping study can help to ensure sites are not awarded to concessionaires for less than their real value. If protected area staff cannot afford to employ tourism professionals to help with such planning there is a danger that decisions will support inappropriate developments at particular sites. Where protected area agencies lack the necessary tourism expertise, it may be better to run an expressions of interest process to identify the best use of the opportunity and let the market, through the process, signal the value of the business opportunity.

When first starting out with concessions, protected

area agencies should select products that are proven and established and not high risk. When the project team selects the final list of opportunities to recommend, it is worthwhile highlighting some small, easy-to-develop activities that can be developed relatively quickly as well as several larger-scale business ideas that will return the most to local communities. These larger ventures will be complex and take time to get under way, so the smaller ventures can be used as a way to test systems and make improvements in the short to medium term.

After spending time exploring the area and talking to local communities and existing businesses, the project team will most likely find that some potential business opportunities will start to emerge. To help determine what sectors of the market are doing well and what products are likely to be of interest to the private sector, the project team should survey

existing concessionaires and the tourism industry to determine:

1. What existing tourism products are doing well and what are not?
2. What opportunities, sites and activities would likely be of most interest to them?
3. Which of these would provide the most benefit to a concessionaire, the protected area and local communities?
4. What would potential operators invest in if particular opportunities came onto the market?
5. What would be the operator's requirements for these opportunities (e.g. access and concession terms)?

Information from a survey like this helps to confirm the viability and likely demand for the opportunities identified through the field work component of the study. However, experience has shown



Figure 3.8: Kunene Peoples Park technical meeting on management and tourism planning.

that this is also an important step in helping to raise awareness of new business investment opportunities so that the market is primed for when they are tendered. If, during this part of the process, an operator identifies an opportunity that is particularly innovative with high levels of intellectual property rights then this can be provided for in steps 7 and 8 of the process above by actions such as creating a development envelope and running an expressions of interest allocation process, rather than a defined tender (see Chapter Five).

4. Present the draft report and seek feedback

The draft tourism study report should be presented to stakeholders so they can see what the study team came up with and why. Comments and input should be sought from all stakeholders. At this point, maps will also be needed, along with a short poster or brochure and a PowerPoint presentation summarizing the process and key findings.

Figure 3.8 shows a technical meeting between local communities and Ministry of Environment and Tourism staff, NGOs and Strengthening Protected Natural Areas staff in which management and tourism plans were presented and discussed in the Kunene region of Namibia.

If there are to be community partners or beneficiaries from the potential tourism businesses (e.g. ownership or revenue-sharing arrangements), then these arrangements need to be discussed and confirmed at this stage. To do this at a later stage could result in delays or create unnecessary levels of uncertainty that will put off potential investors.

It is also important that the study is presented by the project team to their senior managers and associated decisionmakers (e.g. the Minister) so their views can also be included. Senior managers should also be asked for their views on implementing the findings of the study. For example, which of the tourism products identified could be developed into a prospectus and put out to tender? If the Minister is the person who awards the concessions, then he or she also needs to be briefed on the report's findings so that there are no surprises later on in the process.

5. Finalising the report

When all comments have been considered and any changes made to the report, then senior managers need to determine whether they want to proceed with the next stage of the process. A short implementation plan can be prepared and attached to the plan at this point. Senior managers and decision makers should be asked to endorse the recommendations so that concession staff can start the implementation of the report's findings with confidence and certainty. This is an important stage in the process and is highlighted by the following comment from Mozambique: "High profile participation from individuals such as the Minister of Tourism elevated the status of the program's participation and opened doors to major investors. The strong show of government commitment to tourism development was acknowledged and welcomed by prospective investors."¹⁴ It is important that Ministers or senior government officials are aware of what is planned and that their views are incorporated so they are not 'blindsided' later on when a potential investor is already involved.

6. Review or develop a management plan

Before implementation can begin, the protected area management plan may need a revision or change and this may require its own process. If the project team has done its job well, then the planning process should be relatively straight forward, as the views of stakeholders and key groups will already have been considered. The need for this step will depend on whether a management plan for the area already exists, and whether the existing plan provides for the activity or the opportunities identified in the tourism report.

7. Developing a prospectus and marketing opportunities

The most often overlooked component of this process is around marketing, publicity and building awareness of the investment opportunities with the private sector. Protected area managers often assume that if they identify an opportunity then the

¹⁴ The World Bank Group (2012) Facilitating large-scale tourism resorts in Mozambique: The Tourism Investment Generation Approach, Washington DC, USA. P. 32.

private sector will be sitting around waiting to pick it up; however, it is rarely that easy. Private sector groups will often need time to do their own viability assessments of opportunities, present them to their directors or boards and then wait for decisions.

Marketing is very important. In Mozambique, representatives of the Ministry of Tourism went to a number of international and regional tradeshows to promote new investment opportunities. In Namibia (see the case study below), the project manager surveyed existing tourism operators in the region to test their appetite for investment. This sort of approach also does a great job of priming prospective investors by letting them know that new opportunities are in the pipeline.

Tip: Once opportunities are identified, they must be marketed. This might involve taking them to regional and international tradeshows and directly contacting prospective concessionaires.

If there are no obvious potential investors, then effort will need to be put into marketing and building awareness. Promotional materials need to be attractive, investment-savvy, honest and persuasive. They must be visually appealing (including high-quality photographs and images) and provide convincing data. A variety of materials, each with a different purpose, will be needed. Table 3.1 lists the types of promotional material produced for the Maputo Elephant Reserve in Mozambique and Figure 3.9 shows a prospectus from Australia.

Table 3.1: Example of promotional material used to encourage investment in the Maputo Elephant Reserve¹⁵

Material	Language	Quantity	Audience
Tri-fold programme brochure	English and Portuguese	3000	All
Newsletter	English and Portuguese	Quarterly	General database (>1500 subscribers)
Brochure about sites	English and Portuguese	1500	Investment community
Pull-up banner	English and Portuguese	4	All
Posters	English	3	All
Technical information manual about sites	English	Electronic format and printed on demand	Investment community

8. Awarding the concession opportunities

This stage is about implementing the tourism plan. Depending on the interest in and level of demand for the identified opportunities, protected area agency managers can select and run the allocation process that will deliver the best results

(see Chapter Five). If there is plenty of demand, competitive allocation processes like auctions and tenders can be used. If the opportunities are not that well defined and there is room for flexibility, expressions of interest processes can be employed. If demand is poor, then encouragement (but do not offer subsidies) may be needed to attract investment, or the financial assumptions may need to be modified. If there is little or no demand,

¹⁵ The World Bank Group (2012) Facilitating Tourism Investment in the Maputo Elephant Reserve: The Tourism Investment Generation Approach, Washington DC, USA.

Figure 3.9:
Prospectuses of business opportunities for adaptive reuse of historic infrastructure in Sydney Harbour. The prospectuses were developed by the Sydney Harbour Federation Trust.



then the opportunities should be 'banked' for a time when demand is higher, or the product being offered may need to be revised.

Once opportunities are allocated, it may take new concessionaires a number of years to develop the concession, market it and build it up so that it can reach its full potential. The protected area agency needs to set up concession contracts so that they recognize this process (see Chapter Six), but also in ways that do not allow concessionaires to just sit on valuable opportunities. Concession contracts should have milestones included, e.g. 6 months to secure capital, 18 months to build, with the first rental payments due in 24 months. If milestones are not met, the contract should have a clause that allows the protected area agency to terminate the contract.

9. Monitoring and review

At the end of a process such as this, managers may have attracted considerable investment into their

protected areas. At this stage it is always a good idea to review the process to assess whether the intended outcomes have been achieved. Chapter Seven has a good deal of information on monitoring concession activities. Results from such monitoring and the lessons learned from the recently applied process can then be incorporated into the next process that the agency runs, or used by other agencies to improve their processes.

The two case studies (below) from Mozambique and Namibia show how two agencies have actively planned for the development of tourism opportunities in remote protected areas with the aim of improving the social and economic outcomes from these areas, thus ensuring their long-term protection.

Two other examples of different development approaches, this time in China, are provided in Box 3.3.

Box 3.3: Different approaches and outcomes in China

In China's Gansu Province, park agencies have access to significant capital funding so are able to build large visitor facilities such as hotels, fun parks and restaurant facilities inside parks. In Gansu, these are run by park staff, who may be working with little marketing budget or information on the tourism supply chain. An alternative approach may be to tender these opportunities out as concessions. Tendering these opportunities to the private sector may generate more revenue for the parks overall. Park agencies may also choose to put capital into developing good-quality walking tracks and other activities that get people out and about into the park so they can learn about conservation and experience the benefits of outdoor recreation.

The very successful Gahai Wetland is a great example of how a park can provide clean toilets and safe, easy-to-use board walks around part of a large wetland in a manner that helps people to enjoy and learn about this attractive alpine protected area. The facilities have produced a number of small business spinoffs such as horse rides and selling delicious yak yogurt that benefits the local community. The activities are also concentrated into a small portion of the wetland, leaving 90% of the area free of development and visitors so that the wildlife can benefit. In the last few years, the park has demonstrated an impressive increase in 'wetland area' and species abundance—demonstrating that tourism, local business opportunities and conservation can benefit one another in China.

Tazishan hotel in Gansu (A). A local woman at the Gahai Wetland Park entrance (B) sells yak yoghurt to visitors, providing valuable income in a remote village; visitors (C) enjoy the board walk and study the wetland as they walk out to a bird hide that overlooks the Gahai wetland. These developments in Gahai are very much in keeping with a nature-based experience and have been successful in attracting tourists, demonstrating benefits for tourism, local business opportunities and conservation.



Case study: Tourism development planning in the Bwabwata, Mudumu and Nkasa Rupara National Parks, Namibia¹⁶

1. Background

This case study summarizes the process and lessons learned from a tourism development planning process in the Bwabwata, Mudumu and Nkasa Rurara (BMN) National Parks located in north-eastern Namibia, southern Africa. This area borders Angola, Botswana, Zambia and Zimbabwe and is part of the Kavango – Zambezi Trans-frontier Conservation Area (KAZA). The parks in this area are generally quite small and have communities living adjacent to them. The Bwabwata National Park also has a multiple-use area in which around 5500 people live.

Namibian conservation legislation enables communities living on State land to form community-based organizations to enable them to take over responsibility for wildlife management in their area. Once formed, these ‘conservancies’ can be empowered with rights to utilize wildlife¹⁷ on their land and to acquire tourism concessions, including inside adjacent protected areas. The BMN Parks are largely surrounded by conservancies—meaning there is a clear institutional foundation for collaboration between the national park authority and local communities.

The BMN Parks are managed by the Namibian government in an integrated manner by working in close partnership with neighbours, residents, NGOs and the private sector to develop shared objectives for biodiversity conservation, wise use of natural resources, developing and maintaining animal migration corridors, and establishing the area as a competitive tourism destination that generates social and economic benefits for local residents, who otherwise rely heavily on subsistence agriculture and natural resource harvesting for their livelihood.

2. Tourism planning in the BMN parks

During 2007 and 2008, the Namibian government prepared a tourism development plan for the BMN parks. They were assisted in this process by the Namibia National Parks Programme (NamParks), which is a development programme of the Republic of Namibia co-financed by the Federal Republic of Germany through KfW¹⁸.

Important to the planning context was a Cabinet Decision from 1999, which required that conditional tourism rights inside these parks be granted to resident and neighbouring local communities. Linked with this was the importance of recognizing past commitments made by government to resident and neighbouring communities to award specific concession opportunities to local communities or at least ensure they receive benefits from them.

Furthermore, planning had to consider the national guidelines specified within the National Policy on Tourism and Wildlife Concessions on State Land (2007), which makes provisions for the award of tourism concessions directly to resident and neighbouring communities that are affected by national parks. Tourism planning inside the BMN parks also needed to integrate with park management planning processes that were on-going at the time, as well as the plans and expectations of park

¹⁶ Prepared by Ed Humphrey, Programme Manager, Namibia National Parks Programme, 2013.

¹⁷ NASCO (2008) Namibia’s communal conservancies, a review of progress and challenges in 2007. Windhoek, Namibia.

¹⁸ The KfW, formerly KfWBankengruppe (banking group) is a German government-owned development bank.

neighbours in adjoining conservancies, and park residents within the multiple-use area of Bwabwata National Park.

3. Process followed

Given this context, it was important that the tourism planning involved members of resident and neighbouring communities, park staff, relevant regional stakeholders and members of the private sector. The planning process, which took approximately two years, required the following steps:

- a. A document review of park management plans and related information, including plans for adjacent communities;
- b. Review of regional tourism market dynamics within the KAZA area;
- c. Site visits to the BMN Parks and surrounding areas to assess the potential of tourism attractions within the parks and adjacent areas;
- d. Ongoing consultation with park staff;
- e. Researching the current tourism product supply and demand (in terms of accommodation and activities);
- f. Interviews with key regional stakeholders, including product owners and operators, NGOs and others;
- g. Presentation of results and options at various workshops with government officials and local stakeholders such as conservancies, regional authorities and other community bodies;
- h. The development, discussion and adoption by government of a BMN Parks Tourism Strategy, which provided a high-level tourism development framework for the BMN Parks. The tourism development plan built on this framework;
- i. Extensive market research including telephone and face-to-face interviews of 28 lodge and campsite operators, 22 tour operators, 3 professional hunting companies and 15 potential developers or investors;
- j. Compilation of a discussion draft development plan, and presentation of this to government;
- k. Updating of the discussion draft based on comments received, and compilation of a final report.

4. Implementation method

Once the plan was finalized and adopted, implementation started. Resident and neighbouring communities were assisted with the application process for specific concessions that were allocated to them in terms of the plan. Head concession contracts were structured between the Namibian government and each community. In partnership with communities and government, tendering for joint venture operators then started. By 2013, three tourism concessions were awarded to resident and neighbouring communities and an additional three concessions were applied for by neighbouring communities and are awaiting processing.

5. Outcomes and expected results

Along with a comprehensive tourism development plan with clear concession recommendations, a further important outcome of this process was the establishment of best-practice guidelines in the structuring of concession contracts between the State, communities and private sector. This

includes the development of template tender documents and procedures for community-private sector partnerships. These were developed and trialed for two of the three awarded concessions—White Sands Tourism Lodge Concession and Bwabwata Trophy Hunting Concession. During the White Sands Concession tender, market conditions were not adequate to attract a serious bid; however, the tender for the Bwabwata Trophy Hunting Concession was very successful, attracting more than 30 registered bidders and resulting in nine formal offers to the community, two of which were accepted.

Concession fees from the Bwabwata Trophy Hunting Concession have exceeded N\$8.5 million during the first two concession-years, while more than 20 local jobs were created and a number of other business and empowerment initiatives have emerged.

Over time, if all the concession recommendations in the plan are implemented, it is envisaged that these tourism projects might create around 600 new permanent jobs with an annual wage bill of approximately N\$25 million. It is also estimated that around N\$13 million could be earned in concession fees and a further N\$2 million per annum from park entry fees. The concession fees will help communities to sustain conservation activities on land adjacent to parks while the new jobs will play a significant role in reducing poverty.

6. Important lessons learned

Through this process, the following important lessons were learned:

- There are no blue-prints for planning—each process should be custom designed for specific circumstances.
- ‘Clean-slate’ planning is not appropriate for complex situations—it is important that planners carefully assess the project context from different perspectives (socio-political, socio-ecological and market), and plan for what is likely to be acceptable and implementable within this context.
- An overarching policy framework for tourism concessions in protected areas is important—without clear policy guidelines, implementation of each new tourism project will require lengthy consultation and high-level decision-making.
- There is a need for integrated tourism planning—ideally, tourism planning and protected area management planning should occur concurrently and dovetail with each other to ensure appropriate development is undertaken from the outset.
- Well-established, functional, representative local community-based institutions are important when granting concessions to communities—without such institutions the award of concession contracts is not practical, and the private sector will not invest.
- Prioritization is needed—from a market perspective, but also in terms of socio-ecological and socio-political factors, such as the needs of communities to generate revenue to fund conservation activities and rural development in ecologically important areas.

Working with tourism operators

Working with experienced operators to help shape and test the demand for new concession activities is vital. Protected area managers are often optimistic when identifying potential

opportunities in the areas they manage, but how good are these ideas and are the attractions or activities really good enough to bring in tourists or potential concessionaires? New ideas need to be well tested and working with tourism operators and other people who live and work outside the local area will help to ensure that

¹⁹ UNEP (2005) Forging links between protected areas and the tourism sector, how tourism can benefit conservation. Division of Technology, Industry and Economics, France.P. 19.

new concessions opportunities are viable. The following quote highlights this issue:

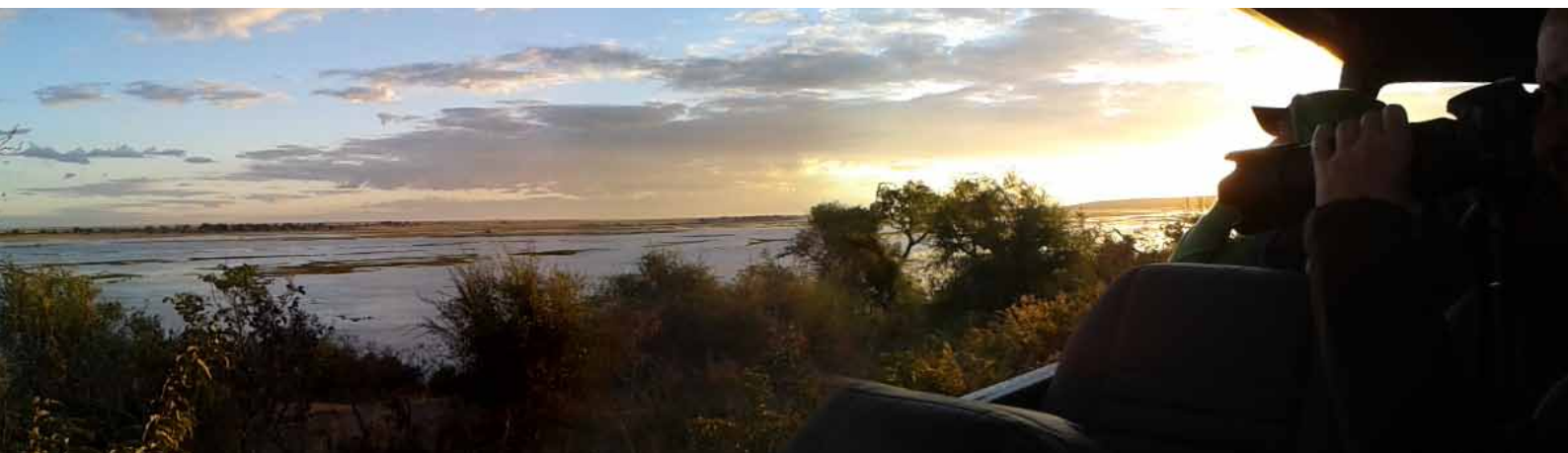
“The roads are poor and the travel time to the excursion destination is long. There is little time at the destination, and we’re looking for different, more accessible opportunities for excursions. We would like to work together with the protected area to plan new products that appeal to tourists as excursions”¹⁹.

The Namibian case study above gives one example of how a protected area agency interviews and surveys existing operators to test the viability and level of interest in new concessions before they are tendered by the agency. If agency managers wish to develop new concession products, they should discuss tourism issues with people who actively work in the tourism industry. Tour company staff will often be happy to discuss these issues on an informal basis, particularly when they are keen to help an area or site develop its tourism potential. Issues to cover in such discussions include:

- Attractions and activities
- Constraints and opportunities for visitor activities at the site
- Tourism trends and market demand that may affect tourism at the site
- Key target markets relevant to tourism at the site

- Concession opportunities and operating requirements at the site
- To test potential operator demand further, ask them to rank the viability of these opportunities
- Pricing structures
- Promotion and marketing of tours or excursions associated with the site
- Design of facilities, such as visitor centres, toilets, restaurants and bars, to ensure that they are both functional and attractive to tourists, including aspects such as visual impact, accommodation, catering, management of wastes and sewage.

At the same time, protected area managers need to be aware that some tourism personnel may be overly market-orientated and lose sight of the conservation goals of protected areas; or they may have some commercial bias, advocating their own interests above those of others. Protected area managers should obtain a range of stakeholder views and must stress to them that tourism at the site is only permissible when it can be integrated with and even benefit conservation. Raising the awareness of industry personnel of the principles of protected area management can help to overcome this risk²⁰. Aside from the processes advocated above, highlights another way in which the tourism sector can help protected areas to better develop their services to visitors.



View over Kasika / Impalila Conservancies in the eastern floodplains, Zambezi Region, Namibia
Photo: Ed Humphrey.

²⁰UNEP (2005) Forging links between protected areas and the tourism sector, how tourism can benefit conservation. Division of Technology, Industry and Economics, France.

Part 3: When there are too many concessions

We all make decisions to avoid places when they are really busy, to drive home after rush hour or to go to a quiet rather than a busy restaurant. The same is especially true for protected natural areas where the essence of the visitor experience is based around nature, and getting close to it²¹. It can be hard to experience the sound and beauty of a waterfall if jet boats are roaring around, or listen to birds sing among crowds of noisy people, or reflect, relax and experience solitude in areas that are busy with helicopter flights.

As protected area managers aim to balance the goals of preservation and use there are times when this is not successful and overuse can result in significant adverse impacts on the physical or biological features of a protected areas, the cultural environment or the experience of visitors. This is never a good situation and may come about because of political and commercial pressures to grow, because managers have made poor or no decisions to address issues or because concession and recreation use has simply been allowed to expand over time and no one has checked whether it has grown too much.

While protected area managers and staff may want their areas to be popular, valued, provide benefits to local and regional communities and return revenue; over commercialization will clearly detract from and undermine the rationale for protecting the areas in the first place. In his 2003²² book on ecotourism case studies, Buckley mentions that if there is one central lesson from his book, it is that untrammelled tourism development will not help to protect the environment, that a strong conservation framework must be in place before tourism starts to grow and that for tourism to make useful contributions to conservation, its revenue potential should be channelled and focused through a conservation framework—either private or public depending on the land tenure.

Poor management of concession activities can also undermine conservation objectives and the protected area agencies' reputation as effective managers. Once domestic and international tourism

marketing organizations and publications, such as National Geographic Traveller or the Lonely Planet guide series seize on the fact that a particular location is poorly run and overcrowded they will not hesitate to publish this, and poor perceptions can be very difficult to reverse.

While tourism and concession activities can have many positive impacts, tourism can also:²³

- Place direct pressure on fragile ecosystems, causing degradation of the physical environment and disruption to wildlife.
- Exert pressure on host communities, leading to the dislocation of traditional societies.
- Compete for scarce resources such as land and water.
- Be a significant contributor to local and global pollution.
- Be a vulnerable and unstable source of income as it is often sensitive to actual and perceived changes to the environmental, social and political conditions of destinations.

After several years of buoyant economic conditions, protected area managers may find themselves receiving enquires or getting applications for new, large-scale developments. These are often less-appropriate ideas that relate poorly to the purposes of the protected area. Examples that the author has dealt with are proposals for new ski areas and resort complexes, hovercraft operations over RAMSAR wetland areas, rollercoaster rides in national parks and large-scale resort developments off very inhospitable coastlines of protected areas. These proposals come about in good economic times when there is plenty of money available and people are willing to invest in increasingly marginal schemes. It is very difficult to differentiate the more speculative schemes from genuine investments and developments; however, at the first sign of tightening economic conditions, the more speculative proposals will quickly go quiet.

The very fact that concessions are needed in the first place is to aid visitor enjoyment in a way that preserves the protected areas. It is not acceptable to sacrifice particular sites or natural areas for commercial tourism purposes. Other places outside of protected areas can be used—commercialization is not the role of a protected area. Concession

²¹ Wearing, S.; Ponting, J.; McDonald, M.; Schweinsberg, S. (Summer 2013–2014) Managing nature and the ecotourism experience. *Australasian Parks and Leisure* 16(4): 45–51.

²² Buckley, R. (2003) Case studies in ecotourism. CABI Publishing, Wallingford, UK.

²³ UNEP & WTO (2005) Making tourism more sustainable: a guide for policy makers. France.

agreements are tools for managers that allow for the provision of valuable visitor services in a manner that is consistent with the core values of the protected area.

The management of too many concessions and possible overuse is, ultimately, an issue that needs to be resolved through planning processes that can then be implemented through concession agreements and allocation mechanisms. Once the desired outcome for a protected area has been agreed—preferably through robust, participatory planning processes—all staff working on visitor-related issues, including concession staff, can employ the tools available to them to achieve the desired state.

At an individual concession level, there are many measures that can be taken to reduce the impact of any one concession operation. For a list of these measures, refer to Chapter Four on EIA and Chapter Seven on monitoring. However, for the purposes of this chapter, the challenge really lies in situations where the cumulative impact of too many concessions needs to be reduced in order to preserve a protected area's physical environment or visitor experience.

Sixteen steps to address situations when there are too many concessions

Detailed below are sixteen steps that can be used individually or together to either prevent a protected area becoming over commercialized, or to help remediate an area that already has too many concessions.

1. Establish if there is a concern

Are protected area agencies receiving complaints from existing operators, visitors, the media or local communities about uncontrolled or unregulated growth and the impact this is having on an area or its visitor experience? How are travel publications reporting the visitor experience in the area? Is there evidence of physical, ecological or cultural impacts from commercial operations? Has the number of concession operations or visitors grown significantly in recent times or has the agency started to receive a number of new applications to operate in the area? If the answer is yes to any of these issues,

then the degree of concern and exact issues need to be clearly defined.

2. Defining the problem

What the problems are may seem obvious, but it is important that concession staff, concessionaires and other stakeholders agree on what they are and what is causing them. It is essential to take time to clearly understand cause and effect, rather than to immediately jump to possible solutions. Involving existing concessionaires and stakeholders in this step is a good way of getting people to think about issues from a conservation perspective and will help to improve buy-in to potential solutions.

It is also important to understand what or who is causing the issue—is it commercial operators working within the terms and conditions of their concessions or is it increased and unregulated recreational use? What should be done to solve the problem will differ depending on the answer to this question. Issuing further concessions can sometimes be part of a solution; for example, where access to sensitive cave areas is permitted, it is often only allowed through a concessionaire, where trained guides operating to agreed concession conditions can ensure visitor behaviour can be controlled, and visitors are provided with information about the sensitive nature of the cave and how to look after it. In other areas there may be significant concerns about crowding, with the overuse resulting from normal recreational and commercial activities. However, focusing control methods just on commercial users, because they have permits, when they may make up only a small portion of the overall use, is likely to be relatively ineffective and may even worsen the situation (especially if it removes 'well-behaved' guided visitors, leaving room for further growth in the numbers of unaccompanied visitors).

To determine the degree or severity of the issue it may be necessary to gather further information by monitoring the amount of activity (e.g. finding out the number of visitors using the location, when and how) and to monitor the impacts of the activities (by undertaking visitor surveys or even by commissioning research; see Chapter Seven). However, it is unreasonable to expect even detailed research to outline a magic carrying capacity figure or an ideal solution. If the impacts are severe,

then protected area managers should not hesitate to make the decisions needed to preserve the protected area with the best information they have at the time—it is a manager's job to make these decisions and the absence of information is not an excuse for inaction²⁴.

3. Obtain political support to address the issue

When significant impacts occur in a protected area, then the area is under threat and local politicians and relevant Ministers need to be informed about this and what the process will be to address the threat. If it is later decided that restrictions to commercial operations or public access are necessary, then the issue will become political, so it is better for political leaders to hear about the issue from their agency first, rather than from commercial operators. Furthermore, decision makers may need to make tough decisions, so they deserve the chance to be involved as a stakeholder early on in the process.

4. Apply land use zoning and determine the commercial objectives for each zone

Land use zoning is a well-established process in urban town planning and has also been applied successfully in protected natural areas. Zoning has been applied most commonly to recreation activities, but it can also be used to address commercial and concession needs. Zoning a protected area into amenity areas, medium- and low-impact areas and restricted use areas can assist managers to achieve specific goals in each zone by aligning activities, access, services and facilities to the desired outcomes for particular places. The zoning process itself also provides an opportunity for community engagement, as the public can have input in defining the boundaries for each of the zones in the protected area²⁵.

The application of zoning should be based on a careful assessment of the protected area's resources and the range of visitor experiences the area provides. High use or high-impact activities should not be permitted in areas that are fragile or have exceptional biodiversity values, and amenity areas should not be built on or even close to a

protected area's main scenic attraction, as the mere presence of these is likely to detract from visitors' experiences of this feature.

The United Nations Environment Program and the World Tourism Organisation (2005) also suggest that the use of zones means that use limits will also need to be applied in order to indicate the appropriate amount of use in any particular zone. In the protected area field, there are two well-used planning tools that, when applied, can help planners in this regard. The first is the Recreation Opportunity Spectrum (ROS) and the second is Limits of Acceptable Change (LAC). These tools work together to create a range of recreation opportunities, with each zone having some form of use limit, standard or target applied to them.

ROS is a way of matching a protected area's resource information, with issues such as access, visitor activities, visitor type and, ultimately, the experience that protected area managers want visitors to have. For example, Figure 3.10 illustrates that the more natural an area is, the less developed it should be and the fewer visitors it should have. These areas will, typically, be harder to access (e.g. by foot) and visitors can expect to experience solitude and a close relationship with nature. At the other end of the spectrum are amenity areas, which are tightly controlled zones within a protected area where concessions for accommodation, retail activities and guiding services are concentrated. As visitors move further away from the amenity area, they may travel by road, parking at a car park where there are toilets and short walks to view points. They may then travel further on walking tracks to back country campsites where they need their own equipment and skills to camp and hike in rough terrain. Small guided walking, horse riding and photographic concessions may be permissible here. Eventually, the visitor can move further beyond the tracks and into wilderness areas where there is no evidence of management and everything is natural. The point about these zones is that they can be designated in protected area plans, so concession activities awarded then need to be consistent with each zone.

²⁴ Devlin, P.; Corbett, R.; Peebles, C. (1995) Outdoor recreation in New Zealand Volume One, a review and synthesis of the research literature. Lincoln University and the Department of Conservation.

²⁵ DOC (1996) Visitor strategy. Department of Conservation, Wellington, New Zealand.

Manning R. (1999) Studies in outdoor recreation: search and research for satisfaction. Oregon State University Press, Oregon, USA. 374 p.

Figure 3.10: The Recreation Opportunity Spectrum (ROS) adapted from Manning (1999) and DOC (1996) for New Zealand conditions²⁵.

ROS class	Wilderness	Remote	Back country walk in	Back country 4x4	Back country drive-in	Rural	Urban fringe
Short stop traveller							
Day visitor							
Over nighters							
Back country comfort seekers							
Back country adventurers							
Remote seekers							
Thrill seekers	Wilderness rafting	Heliskiing	Blackwater rafting	Safari tours	Ski area	Bungy jumping	Jet ski hire
Pristine	← Natural environment →					Natural	
Low density	← Social environment →					High density	
Undeveloped	← Management environment →					Developed	
Non motorised access	← Degree of access →					Motorised access	
No impacts	← Level of acceptable impacts →					Managed impacts	

ROS is a very helpful conceptual tool for planners, as it assists in separating activities that are incompatible, but there are drawbacks to this approach. For example, a concessionaire's boat travelling up a river can immediately turn an otherwise wilderness zone into a backcountry drive-in zone; similarly, a helicopter landing a guided fisherman can do this even faster. However, when these craft are gone, the area is immediately wilderness again. Also, there also does not have to be a progression through all the ROS zones in

order to get to wilderness—five minutes beyond a very popular walking track can often be more than enough wilderness for many protected area visitors. It is also important to remember that zoning can apply in a temporal as well as a spatial sense. For example, what may be a backcountry zone in summer may be able to be used as a heliski concession area in winter when heavy snow prevents foot access. Box 3.4 gives a New Zealand example of the application of zoning.

²⁵ DOC (1996) Visitor strategy. Department of Conservation, Wellington, New Zealand.

Manning R. (1999) Studies in outdoor recreation: search and research for satisfaction. Oregon State University Press, Oregon, USA. 374 p.

Box 3.4: Application of zoning in Aoraki/Mount Cook National Park, South Island, New Zealand

In Aoraki/Mount Cook National Park there are three glacial lakes. Visitors can drive and take a short walk to a viewpoint overlooking the Tasman Glacial Lake, so this is where a concession has been granted to a motorised (but relatively quiet) glacier boating operation. On the Mueller Glacier Lake there is a guided kayaking concession and this reflects the more natural setting of the lake and that it can only be viewed by walking to the viewpoint. Even further away there is the beautiful Hooker Valley Glacial Lake that can be reached after a walk of several hours. This area has also been managed as an aircraft-free area and concession applications for glacier boating on this lake have been declined, to reflect the 'wilderness' character of this area. These three lakes and the concession activities permitted reflect the zoning approach applied in the park's management plan which provides for a range of experiences for a range of visitors in a way that reflects the setting in which the activities occur.



Glacier Explorers operate motorised boat trips on the Tasman Glacial Lake in Aoraki/Mount Cook National Park, New Zealand. Photo: Ray Bellringer, Department of Conservation.

Zoning in this way does not have to be fixed in time, as a protected area's zoning can and should be reviewed as its management plan is updated. In addition, what is managed as a back country area now, may, through the planning process, be identified as a rural/front country area for the future, so concessions can be awarded to help achieve this future state.

The LAC concept of carrying capacity extends the idea of zoning even further. From a concession perspective, 'carrying capacity' defines how much activity should be allowed in each zone or, better still, the level of impact that should be allowed. Fundamentally, carrying capacity is about defining the constraints on growth arising from environmental, social or cultural factors²⁶.

Another valuable aspect of LAC is that managers and planners must define their management objectives for an area, monitor activities, and then make conscious decisions about whether the objectives for the area are being achieved for not. While there are also drawbacks to the carrying capacity approach (it can be hard to measure impacts and relate them to activities scientifically and to quantify precise carrying capacity), there is considerable value in applying this type of thinking to some problems. For example, case studies in Chapter Seven demonstrate how a carrying capacity approach was applied to the management of aircraft noise impacts on other visitors and how monitoring impacts against a predetermined threshold resulted in aircraft operators changing their behaviour to reduce impacts before the threshold of annoyance was reached.

In addition to ROS and LAC, there are a number of other visitor planning frameworks that are often referred to and applied to help address this problem; however, these frameworks all share common underlying characteristics. More can be learnt by researching all visitor planning frameworks and by accessing the recreation management literature generally. The most common frameworks are²⁸:

- a) The recreation opportunity spectrum (ROS)
- b) Limits of Acceptable Change (LAC),
- c) Visitor Impact Management (VIM)
- d) Visitor Experience and Resource Protection (VERP)

- e) Tourism optimization model (TOMM)
- f) Recreation Benefits Based Management (BMM)²⁷

The core elements of most frameworks are:

1. Define the recreational/concession objectives and opportunities to be provided (i.e. apply ROS).
2. Define the standards and indicators of these zones based on natural, social and management environments (LAC).
3. Monitor the indicators to determine if the standards are breached.
4. Implement actions if standards are breached to reduce the impact (e.g. reduce the level of activity or, if standards are not breached, it may be possible to allocate additional rights).

Some commentators state that tourism carrying capacity is now being viewed as an antiquated approach to managing visitors in protected areas and national parks, having evolved out of the fields of range, habitat and wildlife management. Managers in these areas attempted to determine the largest population of a particular species that could be supported by a habitat over a long period of time. Many authors have critiqued the concept as being fatally flawed in both the conceptual assumptions made and its limited practical application²⁸. While the exact concept of carrying capacity can be difficult to apply in the tourism or recreation context, this type of constraint does not necessarily apply to commercial concession operations that must seek permission to obtain private rights to operate businesses on public or state land. Limits can be set on the number of businesses allowed, where they will be allowed, when they will be allowed to operate, the number of trips they can make, the size of the development site or the degree of impact that will be tolerated and more. So, while there are limitations in applying carrying capacity concepts in a scientific and academic sense, protected area managers regularly place commercial limits on the numbers of concessions, amount of activity and the impacts of the activity, using a precautionary principle (refer to the case studies later in this chapter from New Zealand, Galapagos Islands, USA and South Africa).

²⁶ Manning, R. (1999) *Studies in outdoor recreation: search and research for satisfaction*. Oregon State University Press, Oregon, USA. 374 p.

²⁷ This approach is different from the others but is well worth considering, refer to <https://www.msu.edu/user/stynes/bbm/> accessed August 2014.

²⁸ Tourism carrying capacity accessed July 2014 from http://en.wikipedia.org/wiki/Tourism_carrying_capacity

Understanding and applying ROS and LAC in a protected area's management plan is a very useful way for assessing whether concession activities are compatible with the natural, social and management environments of particular zones. This will help staff to ensure that their protected area does not become over run with commercial activities.

The case study below illustrates how the Abel Tasman National Park Management Plan needed

to focus on outcomes, clearly defining the visitor experience that should be available for all to enjoy in the park. To achieve this, the plan concentrated motorized boating activities and drop-off points into a few zoned hubs so that kayakers and walkers could have good access to the park but still experience the park's iconic coastal beauty and peace beyond these points. Managers then awarded concessions based on the levels of activity the operators were undertaking rather than what was applied for.

Case study: Abel Tasman National Park in New Zealand²⁹

At 23,000 hectares, Abel Tasman National Park, a largely coastal park straddling Nelson's Tasman and Golden Bays in New Zealand's South Island, is the country's smallest national park, yet it attracts many visitors—around 120,000 day and 30,000 overnight visitors every year. Consequently, Abel Tasman also has the highest number of tourism concessions for guided kayaking and walking of any national park in New Zealand.

By the early 2000s, tourism operators, the Department of Conservation (DOC) and visitors were expressing concern at the impacts of the park's high usage. "The pursuit of tranquillity in coastal areas of the Abel Tasman National Park is not a realistic goal", read a Tasman District Council submission on the park management plan. In 2003, 'Lonely Planet'—the traveller's bible—dourly advised readers not to visit Abel Tasman during the month of January because it was too busy.

At this time, guided kayaking companies faced no controls on the numbers of trips they could do in a day or over a year, or where or when they started or finished their trips.

Many concessionaires, including the guided kayaking companies, were keen to have some sort of regulation to preserve the visitor experience, and set in motion the research, consultation and negotiation that led to the introduction of concession limits in the Abel Tasman National Park Management Plan, in force since 2008.

The main impact of guided kayaking activity is social rather than physical. Large groups of kayakers can dominate a small beach and affect the experience of other park users. DOC was keen to ensure that visitors' experiences matched the image the country was marketing to overseas visitors. The Abel Tasman National Park Management Plan process offered an opportunity to sort out the situation.

Through numerous meetings and discussions, DOC, concessionaires and tourism industry representatives reached an agreement on capping existing levels of activity for guided kayaking and limiting locations at which kayak trips could start and finish. Some of the larger bays in the park were designated as 'coastal access points' and the busy activity associated with starting and finishing trips was confined to these hubs. Most of these bays have large camping grounds and good toilet facilities and were already places where people congregated.

Guided kayaking is now excluded from the northern part of the park, enabling visitors to experience the park as it was before guided kayaking boomed in popularity.

²⁹Prepared by Jo Gould, Department of Conservation, New Zealand.

Concessionaires support clients by positioning kayaks along the coast line of the park.
Photo: Andy Dennis



The management plan cements sustainability into tourism operations in the area. One-on-one meetings with concessionaires built trust and understanding—DOC had to understand how the concessionaires' businesses worked and concessionaires had to understand why the changes were needed. Local and national tourism organizations also worked with operators to help them understand the importance of achieving a sustainable level of tourism operations in the park.

Throughout this process there was a lot of negotiation and much of the plan was changed following advice received from the commercial operators. However, DOC staff were always mindful that, as the statutory managers of the land, there were some bottom lines that they could not move from.

The first job was to figure out what DOC wanted for the park. Staff needed to define the visitor experience, while considering the qualities and values of the Park. Daily visitor numbers were plotted on a graph, and the activity patterns of each operation were examined. Peak loads were calculated and the numbers totalled to see what they would mean for the park. From this, access points were decided and numbers were allocated to individual operators and then fine-tuned.

The process was so successful that a similar approach was used to develop concession provisions in the Abel Tasman Foreshore Scenic Reserve Management Plan, which specifically addresses water taxi and charter boat activity. This plan has now been approved and concessions with 15-year terms will soon be offered to existing concessionaires.

From DOC's perspective, good links between local and National Office staff were critical, with local staff relying heavily on National Office legal and specialist input. Other critical success factors included being open with operators throughout the process and clear about DOC's aims in managing the effects of commercial activity in the park, and that these aligned with the sustainable tourism aims of regional and national tourism industry associations.

Finally, the process highlighted how important it is to engage with stakeholders, really listen and be prepared to make changes.

Case study: Planning for and removal of illegal developments at iSimangaliso Wetland Park³⁰

The iSimangaliso Wetland Park is now one of Africa's celebrated conservation achievements. The 358, 500 hectare park in the north of South Africa's KwaZulu Natal Province is a World Heritage Site globally recognized for its beauty and biodiversity. It contains three major lake systems, eight interlinking ecosystems, 220 kilometres of Indian Ocean coastline, 700-year-old fishing traditions, most

³⁰ Prepared by Peter John Massyn, African Safaris Foundation, South Africa.

of South Africa's remaining swamp forests, Africa's largest estuarine system, 526 bird species and 25, 000-year-old coastal dunes—among the highest in the world.

Until recently, however, the area was little more than a patchwork of state-owned land, commercial forests and military sites threatened by strip mining, land invasions, illegal developments and general neglect. In the past, conservation efforts and other government policies in the area worked to exacerbate the plight of rural residents rather than contribute to economic growth and poverty alleviation. Under apartheid, many people were forcibly removed from their ancestral lands and large tracts were given over to military sites and nature reserves managed by state agencies that ensured high levels of environmental preservation within these areas. But outside these pockets, deprivation and systematic underdevelopment caused severe land degradation and acute poverty. This co-existence between protected nature reserves on the one hand and degraded human reserves on the other, forms the broad context that characterized underdevelopment around iSimangaliso.

The Integrated Management Plan (IMP) is the statutory tool developed by the iSimangaliso Wetland Park Authority to manage the park. It identifies a number of key strategic drivers and prioritizes objectives and interventions over a five-year period. One such objective is “to protect the World Heritage values of the Park and its boundary and to minimize internal and external negative impacts on the Park” (iSimangaliso Wetland Park IMP, p. 85). In the current five-year cycle, the Authority prioritized the removal of around 40 illegal developments in the remote northern section of the park; specifically, in areas where there are residents within the park boundaries. “Many of these developments were undertaken by opportunistic outsiders with inadequate investment which give rise to sub-optimal social and economic effects. Such unauthorized developments destroy the investment potential of an area and amount to economic theft from the broader communities residing in these areas. Because of their size and nature, the illegal developments required little or no support services and virtually no locally-supplied inputs such as laundry services, maintenance services, fruit and vegetable supplies, crafts, artwork, entertainment, transport, guided tours, etc. Consequently, the normally powerful multiplier effect, by which direct tourism spending gives rise to significant indirect and induced secondary spending in the economy, is rendered largely inoperable and ineffective, and there is little ‘upstream’ or ‘downstream’ economic impact either in the Park itself or in the wider region.”(IMP, p. 57). To achieve its objective, the park authority developed a detailed Local Area Plan for the northern section and then enforced compliance by acting against the illegal developments. This involved local consultation and legal proceedings culminating in court orders to demolish the illegal structures. Having removed the unauthorized developments, the Authority must now deliver the development envisaged in the Local Area Plan to ensure that tangible benefits flow to local residents in the form of jobs and other opportunities.

The challenge for iSimangaliso—and similar agencies around the developing world—is to manage the inherent tension between the short-term needs and interests of communities living in and adjacent to a conservation asset of global significance and the longer-term interests of society in conserving its biodiversity and other values. The major lesson from iSimangaliso is the importance of a systematic approach that aligns with broader government policies, balances conservation and development, builds institutions and proceeds within a proper planning framework. All these elements come together in the iSimangaliso story.

A final caveat is perhaps in order. While it might be an important economic driver for the region, a single park such as iSimangaliso cannot be the panacea for an entire region that has suffered systematic neglect over many decades. The danger with a project such as iSimangaliso is that

many people, particularly land claimants and neighbouring communities, develop unrealistically high expectations of the economic opportunities that the park will generate. “Importantly, whilst remaining committed to contributing to regional development, iSimangaliso cannot, by itself, deliver on all expectations. Indeed, many of the challenges faced, including the alleviation of regional poverty, are bigger than iSimangaliso and require local, regional, provincial, national and even international interventions. In this regard, it is imperative that other regional economic drivers are identified and implemented, so as to enhance economic development and growth, thereby aiming to reduce current pressures on the Park” (IMP, p. 14).

5. Apply the precautionary approach

As a protected area begins to develop and get busier, a precautionary approach should be applied to planning, decision-making and the awarding of concession rights. It is difficult to undo the impact of over-commercialization; therefore, it is better for the protected area and concessionaires if it is not allowed to become over crowded. The precautionary approach requires managers to recognize and make the transition from developing an area to managing growth and limits; so if decision makers are unsure whether the provisions of the latest protected area plan or the awarding of the next few concessions will lead to over-commercialization, then they must err on the side of caution and not award those concessions. The relationship between planning and concession allocation and the precautionary principle in action, as demonstrated by the New Zealand Minister of Conservation, Dr Nick Smith, over a concession proposal to build a tunnel and road through parts of two national parks, is described in a case study later in this chapter

Care is needed here as the precautionary principle can also be used as the perfect excuse for not allowing any concession activity. If protected areas have good management plans and clear zones and limits, then the application of this principle should not be required.

6. Ensure the concession contract terms and conditions include limits on the activities of the concessionaire

The number of permits, the total number of trips for each permit, the number of clients or party size, the number, size and type of vessels and aircraft that can be used, the size of the area of operation or the months of operation and the concession duration are all examples of conditions that can be used

to define and limit concession rights and mitigate potential impacts. Even if protected area agencies see no potential for significant growth, concessions should always be issued with limits on them, even if these limits initially reflect what the operator wants. Limits need to be reasonable and allow the operator to succeed.

7. Align the term and expiry dates of all similar concession contracts

This allows the protected area agency to consider the cumulative impact of commercial operations and start managing them collectively, either through the planning process, or by considering all the concession activities together when they expire. If this is not done then each concession has to be managed separately and protected area staff are never able to address the combined impacts of the concessions. Once the agency has determined what levels of use are sustainable, then the opportunities can be allocated fairly and equitably to the market—preferably via some form of competitive process—so that impacts can be managed and limited, all interested parties can apply for concession opportunities and the protected area gets a fair market return for them.

If there are significant impact concerns, the terms of any new concessions issued can also be reduced from, for example, 15 to 5 years and brought into line with the expiry of the protected area agency’s management plan. This will allow the agency to review all or at least some of the concessions once new management plan provisions are approved.

8. Avoid, remedy or mitigate

A range of measures to reduce the level of impact from concession activities are presented in Chapters Four and Seven. These are as varied as concession activities themselves and range from

mitigation measures such as educating visitors about the negative consequences of feeding wildlife through to avoidance measures like selecting alternative locations for a new hotel outside a park to protect its core values. These measures can be introduced into concession terms and conditions either as opportunities allow or by formal review. The Abel Tasman National Park case study showed how motorized and other concession activities were concentrated into certain zones to improve the visitor experience throughout the overall park. This is an example of measures to mitigate the effect of concession activities that can be agreed through planning processes and actioned through concession agreements.

9. Illegal operators are closed down

There is more advice on this issue in Chapter Eight; however, if there are businesses operating illegally (either without a concession or breaching the terms and conditions of their concession) then protected area agency managers need to take steps to address this. When a protected area is under significant pressure, managers should obtain the political support to take these steps and then act promptly. Decisive action sends a clear signal to concessionaires and the wider public that the protected area authorities are serious about protecting the area. At this point, most commercial operators will probably want to work co-operatively with managers to find solutions.

10. Develop codes of conduct with operators

Voluntary codes of conduct can be developed by protected area agencies and their concessionaires together to address specific issues. It is always worth engaging with concessionaires on what measures can be implemented to address impacts, as they understand their operations best and will often provide good ideas. So long as the measures address the issue adequately and are mutually agreed, this can be a valuable approach. In Akaroa, south Island, New Zealand, concern around the impacts of dolphin watching and swim with dolphins vessels on the endangered Hector's Dolphin resulted in a moratorium being applied that restricted the number of available permits to existing operations. At the same time, operators developed a code of conduct which included conditions on the number of vessels visiting pods of dolphins at any one time and a per passenger

financial contribution to fund research on the impacts of dolphin viewing and swimming with dolphin activities. If developing codes of conduct—a form of 'self regulation'—fails to address the issues of concern, then the agency can revert to stronger measures, such as imposing conditions on concession contracts or even reducing the number of concessions or rights allocated.

11. Allocate rights based on environmental performance

Inherent in all of the above situations is the fact that they arise because demand for commercial rights is outstripping what can be sustainably supplied. Once limits have been determined and mitigation measures defined, then the only fair and equitable way of allocating limited opportunities is to auction or tender them. However, tenders also offer the opportunity for operators to compete, not just on price, but also on impact mitigation measures. If the decision-making criteria and scoring of the tender applications includes environmental considerations such as measures to reduce impacts, then operators can suggest and be judged on the impact reduction options they include in their tender bid. For example, boat operators might suggest that they move to biodiesel engines or larger and quieter boats; while aircraft operators may suggest they use planes or helicopters that are quieter or flight paths that reduce the impact on other visitors. This measure is also quite common in tenders for the development of accommodation or other facilities where managers want buildings to have a small environmental foot print and blend in with their natural surroundings.

12. Introduce a moratorium halting any further growth for a defined period of time

A formal moratorium can be put in place so a protected area agency does not have to consider or award any further concessions while monitoring or research is carried out to establish the cause and degree of impacts already occurring. This is a precautionary, stopgap measure that gives the agency time to gather information and plan a longer-term solution. Many operators do not mind having a moratorium if it is at existing use levels, as this effectively protects their operation from further competition. While this is an unintended consequence, the primary importance of this measure is to safeguard conservation values. It

just means that the value of the concessions will increase markedly and existing operators are likely to be quite supportive. Another solution is to only use tenders, not accepting unsolicited proposals.

13. Increase concession fees and reduce concession activity to what operators actually use

While this is an indirect method at best, fees can be increased when they are next reviewed. In many cases, operators may have applied for and been awarded rights or levels of use that they do not come close to using. By charging operators for the level of use allowed for in their concession, rather than just what they actually use, a protected area agency may be able to encourage operators to surrender unused rights which can then be reallocated, banked for later use (see Chapter Five) or surrendered completely to reduce the level of impact.

14. Apply quota

If operators are limited in what they can use, then these limits, multiplied by the number of operators, equates to a quota or the total amount of commercial activity allowed. The impacts of the entire quota activities can then be monitored and managed. If the impacts are still too high, then the quota (or allocation per operator) can be decreased. Alternatively, if the impacts of the activity are having no noticeable impact, then the quota may be increased for existing operators or allocated to a new concessionaire. This is actually the limits of acceptable change (LAC) approach in

action, with the determination of quota carried out through planning and monitoring processes and awarding quota done through allocation processes.

15. Suspend operations

All concession contracts should contain terms and conditions that allow a protected area agency to suspend the concession operation if significant, or unforeseen, effects result from the operation of the business. In severe situations, these suspension conditions can be invoked, but this is a serious step and is generally only done on a temporary basis.

16. Reduce, terminate or choose not to renew concessions

In the event that concession activities are still adversely impacting an area after other measures have been put in place, managers can reduce, on a pro rata basis, the level of activity that each concessionaire is entitled to undertake. Alternatively (as has happened in the fishing industry), the amount of activity or quota can simply be reduced to zero in the hope that this will allow the affected stocks or place to recover. This last step almost always requires political involvement in decision-making. Often it is easier for protected area managers or their Ministers to formally advise concessionaires, with advance notice, that their concessions will not be renewed when they expire due to significant concerns about the impact of commercial activities on aspects of the protected area they are operating in. This is a more difficult situation to resolve if the concessionaires have significant infrastructure investments.

Case study: Cruise Ship management in Glacier Bay ³⁰

This case study highlights how environmental impact statements help to plan and set quota for concession activities, scientific studies support managers to review quota levels and the allocation mechanism helps to support minimum impact behaviour and interpretation outcomes.

Located in southeastern Alaska, USA, Glacier Bay National Park and Preserve is one of the largest national parks in the USA, one of the largest marine reserves in the northern hemisphere, and part of the Kluane / Wrangell-St. Elias / Glacier Bay / Tatshenshini-Alesek UNESCO World Heritage Site. The park was established to preserve a dynamic landscape that has been subject to rapid and repeated events of glacial advancement and retreat over the past 250 years. The park provides unique opportunities for scientific studies of landscape and ecosystem succession, as it has vast wilderness areas and no roads connect it to the rest of Alaska.

³¹ Prepared by Scott M. Gende and Jo Pendry, United States National Park Service.

Given the park's remote location, access to it is almost exclusively by boat, including tour, charter, and private vessels. The predominant form of visitor access is by cruise ships, which bring over 95% of the 400,000 annual visitors to the park. On any given day, there may be a cruise ship navigating up the west arm of Glacier Bay or stationary in front of one of the tidewater glaciers with thousands of passengers enjoying the scenery and looking for wildlife. The high-quality experience visitors have at Glacier Bay is due to careful consideration by park managers of a number of factors, including protection of the park's natural, cultural and wilderness resources, scientific studies and a well-designed interpretive programme.

With the increased popularity of 'cruising', the demand to visit Glacier Bay dramatically increased, and US National Park Service (NPS) staff knew they would have to modify their methods for controlling entry. The increasing popularity of the area, coupled with its new national park designation, led the NPS to develop regulations regarding the allowable number of cruise ship entries (quotas) because US laws require an environmental study of activities within a park area to ensure they will not lead to impairment (see Chapter Four). The US Congress also passed a law (Public Law 107-63) requiring the NPS to prepare an Environmental Impact Statement by 2004 to identify and analyze effects of cruise ship entry increases as well as other vessel impacts on park resources and values. The NPS completed the Glacier Bay Vessel Quota and Operating Requirements Final Environmental Impact Statement (VQOR EIS) in 2003 which, in 2014, still serves as the vessel management plan. The VQOR EIS reflects significant public input, through comments and public scoping, as well as the necessary integration of science as required by US environmental laws (known as the National Environmental Policy Act).

To ensure the environmental impacts are managed in accordance with the VQOR EIS, all vessels that enter Glacier Bay are required to have a permit. The permitting system controls the number and types of vessels, their length of stay, and their activities once in the park. Thus, cruise ship management in Glacier Bay can be generally grouped into decisions on 1) the number that are allowed to enter—quotas, and 2) their behavior and operations once in the park.

Quota

The number of cruise ships permitted to enter into Glacier Bay is managed using both daily and seasonal quota. The daily quota remains set at a maximum of two ships per day. The seasonal quota is split into a 'peak' season (1 June – 31 August = 92 days), and a 'shoulder' season (May and September = 61 days). The 'peak' seasonal quota has experienced significant fluctuations over the past 30+ years, for a variety of reasons, including concerns over impacts of cruise ships and other vessels on endangered humpback whales in the park. In 1980, the peak seasonal quota was 107 cruise ship entries; thus, some days, the daily maximum of two ships arrived but on most days only one ship entered the park. While at times this quota has dropped to as low as 89, it has generally grown over the past 30 years to its current level of 153, reflecting the continuing high demand by visitors to see Glacier Bay. As a result, on most days in June–August 2013, the maximum of two ships entered the bay. However, the peak season quota can be increased to a maximum of 184, which is equivalent to the daily maximum (two ships per day) every day during the 92 day peak season. While demand from the shipping companies means that the peak season quota is met every year, the shoulder season tends to have less demand. For example, in 2013, the shoulder season quota was set at 92, but only about 70 ship entries occurred during this period.

Seasonal quotas can be adjusted annually by the park superintendent, but doing so is complex and difficult, as the superintendent has to balance the need to provide high-quality visitor experiences with minimizing impacts on park resources and values. Changing the number of cruise ships impacts on air

and water quality, wildlife, fisheries, intertidal resources, above- and below-water acoustics, wilderness condition, cultural resources and visitor experiences.

To aid this annual decision, Glacier Bay National Park formed a Science Advisory Board in 2004 to advise the Superintendent on the findings of multidisciplinary studies assessing cruise ship impacts and recommend studies that may reduce uncertainty in impact assessments. The Science Advisory Board comprises a number of state and federal scientists and, over the past decade, has identified and prioritized the research needed to address quota and how changes in them may impact the park's resources and values. Since 2005, the park has implemented and funded a number of the recommended studies, thereby integrating science into the annual decision regarding ship entry quota.

Operating conditions

In addition to regulations on quota, the park also regulates the behavior and operating conditions of the ships that enter the park. These regulations reflect careful consideration of different park users, such as private vessel operators and kayakers, and the types of experience the park provides, such as wilderness and solitude. For example, Glacier Bay is shaped like a 'Y' with two arms in its upper reaches. Cruise ships are not allowed to enter the East Arm, which allows users of small boats and kayakers to experience the park without having to see or negotiate large cruise ships. Many of these areas are also designated 'non-motorized', thus allowing for quiet wilderness experience.

Ship speed is regulated to reduce the frequency of disturbance and probability of lethal collisions between the ships and endangered humpback whales. Research and monitoring conducted by the park includes a partnership with the US Navy to record the underwater acoustics, observers placed on the cruise ships to record encounters with whales and whale monitoring, all of which contribute to understanding the impacts of ships on humpback whales as well as the role of ship speed in mitigating those impacts. For example, if monitoring finds that aggregations of whales are feeding in an area, speed restrictions for vessels are implemented rapidly (within hours) of the determination being made that whales have aggregated and protection is needed.

Glacier Bay uses its concession contract process to encourage cruise ship operations consistent with park values and protection of park resources, including water and air. Every five years, the park solicits concessionaires (cruise companies) to compete for concession contracts. The prospectuses for the concession opportunities include environmental criteria consistent with park values, such as prohibiting the discharge of wastewater while in park waters in order to protect water quality. Another example includes operating measures that would protect air quality. The prospective concessionaires respond to these criteria and they are evaluated based on the stated selection factors in the prospectus. Offers are selected based on a scoring system that compares the offers with the set criteria. The offers with the highest score are awarded a contract. The selected companies are then contractually obligated to comply with all of the provisions in the contract. In the most recent prospectus, some offerors went above the requirements in the prospectus and volunteered to use gas turbine engines and low-sulphur fuel to reduce air quality impacts, refrain from discharging treated wastewater, committed to a whale-collision avoidance programme, and proposed underwater acoustic testing.

As a result of the concessionaire bids, most cruise ships that enter Glacier Bay also financially support a programme whereby NPS Interpretive Rangers board the ships as they enter the park to provide programmes, reading materials, presentations and narration that help passengers learn about Glacier Bay and the park's message and values. The programmes are very well received by passengers.

Over the years, this programme has helped the park reach a volume and demographic spread of visitors that would otherwise be unreachable without the concessions process.

In sum, the management of cruise ship quotas and operations reflects a long history of multi-stakeholder input, active scientific investigation and a strong interpretive programme that has resulted in a manageable and flexible system for commercial access that benefits park resources, concessionaires and visitors.



A cruise ship explores Glacier Bay. Photo: NPS, Greg Kimmitt.

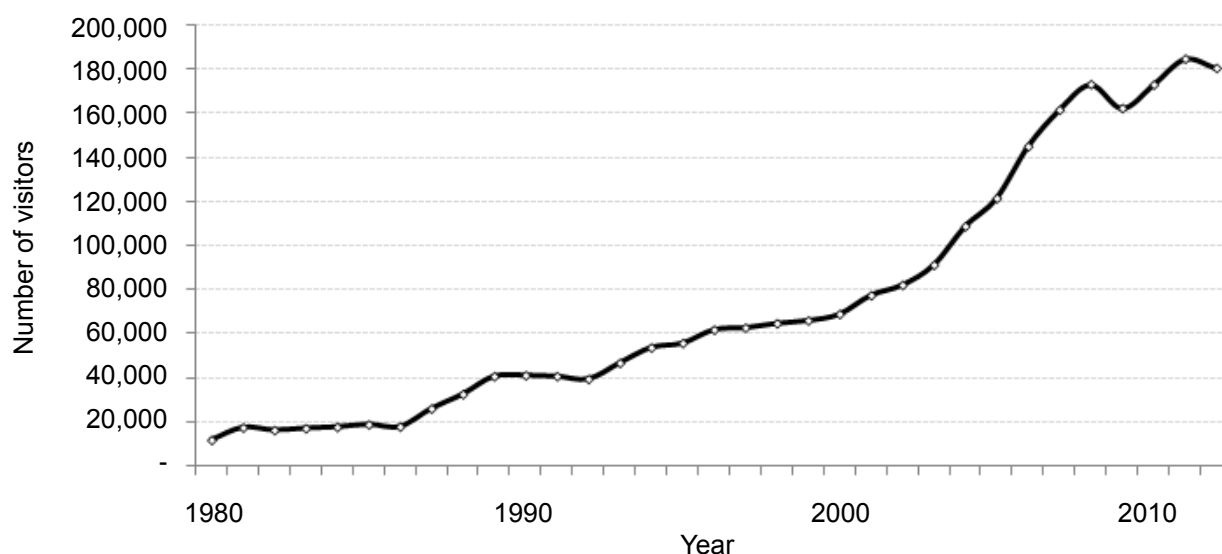
Case study: Concession management in the Galapagos Islands³²

The Galapagos Islands are located in the Pacific Ocean off the coast of Ecuador. In 2013, more than 1.3 million international tourists arrived in Ecuador, representing an average growth of 9.3% in numbers between 2010 and 2013. The Galapagos Archipelago hosts, on average, more than 180, 000 visitors every year, approximately 14% of the international tourists that arrive in Ecuador. The number of people visiting the Galapagos Islands has grown at an average annual rate of 44% over the last 30 years (see Figure 3.11).

The Gross Domestic Product (GDP) in the Galapagos Islands was worth US\$160.3 million in 2011, representing 0.2% of the Ecuadorian economy. However, Galapagos tourism generates considerable income for mainland Ecuador, via the islands' demand for goods and services. Tourism accounts for 51% of the Galapagos GDP, which makes it a key driver for economic growth in the islands.

³² Prepared by José Galindo, Ruth Utreras and Gabriela Urgilés of Mentefactura, Ecuador, 2014.

Figure 3.11: Growth in number of visitors to Galapagos Islands, 1980–2012³³.



This growth in visitor numbers is a result of their continuing interest in observing the unique fauna and flora present in the archipelago. Infrastructure and tourism activities have had to adapt to an ever-growing market demand, characterized, according to Taylor et al. (2006)³⁴ and Epler (2007)³⁵, as having “little or no planning”. As a result, the sustainable development of the archipelago’s economy is threatened. Indeed, the number of vessels arriving at the islands more than doubled (from 40 to 94) between 1980 and 2011. Also, the boats’ passenger capacity tripled, indicating an accelerated growth during that period (see Table 3.3).

Table 3.3: Number of vessels visiting the Galapagos Islands, and their passenger capacity, 1981–2011³⁵.

Year	1981	1991	1996	1997	2000	2006	2011
Number of vessels	40	67	90	84	80	80	94
Total passenger capacity	597	1048	1484	1545	1733	1805	1992
Average number of beds available per vessel	14.93	15.64	16.49	18.39	21.66	22.56	21.19

Planning visitor outcomes

The Galapagos National Park (GNP) is the tourism regulatory body for this protected area. In order to simultaneously regulate tourism and foster conservation, a visitor management system has been created which comprises four key components:

³³ Sourced from ‘Control Card’ 2011. Galapagos National Park.

³⁴ Epler, B. (2007) Turismo, Economía, Crecimiento Poblacional y Conservación en Galápagos. Puerto Ayora. Presentada a la Fundación Charles Darwin, Septiembre 2007.

³⁵ Taylor, J.E.; Hardner, J.; Stewart, M. (2006) Ecotourism and economic growth in the Galapagos: an island economy-wide analysis. Giannini Foundation of Agricultural Economics, Department of Agricultural and Resource Economics, University of California, Davis, CA, USA.



Careful management of commercial operations in the Galapagos helps to protect biodiversity and experiences such as this. Photo: José Galindo.

1. Classifying visitor sites into different management categories to ensure conservation and visitor satisfaction outcomes can be met.
2. Determining the acceptable load of visitors for each site.
3. Monitoring of both marine and terrestrial indicators at these visitor sites.
4. Producing itineraries of tourist boats currently operating in the archipelago.

How commercial quota is set and allocated

The system above enables key information to be gathered so that quota can be allocated to concessionaires. Concessionaires pay fees in order to be able to run certain types of tourism operations within the GNP. In order to define the quota for these operations by type and by island, the GNP issues a report encompassing:

- An assessment of carrying capacity for individual sites within the GNP
- Use of the precautionary principle
- Environmental impact assessments
- Relevant provisions of the GNP management plan

Before it can proceed to allocate quota, the GNP must obtain a favorable report from the Tourism Ministry about the level of quota that have been defined. Once the GNP and the Tourism Ministry have

agreed on the quota for tourism operations, the GNP publicly announces the number of available quota for permanent residents and legal persons domiciled in the Province of Galapagos, the place and date in which applications will be accepted and all other necessary requirements.

The Director of the GNP then forms a technical committee to analyze applications, verify that requirements are fulfilled and rate projects according to quota allocation³⁶. Once all applications are assessed, the technical committee issues a report to the Governing Council of the Galapagos, which is in charge of granting quota by type of operation and by island. Finally, the Directorate of the GNP publicly announces the selected quota beneficiaries.

Table 3.4: Type of tourism operation and associated bed rates.³⁵

Type of tourism operation	Category	Annual rate per bed (US\$)
Cruise	A	250
Cruise	B	200
Cruise	C	150
Daily Tour	R	100
Daily Tour	E	50

All tourism concessions granted through the quota allocation process expire annually. In order to renew these concessions, a request must be submitted to the Director of the GNP containing updated information on the initial concession granted and other requirements, including: an updated traffic permit, proof of having executed tourism operations for at least 180 days during the year before the renewal, registering no more than one breach of conditions and an inspection certificate of the vessel. All concession renewal procedures are managed by four members of the Tourism Operation Management Unit staff, which is part of the Directorate of Public Use. In addition, two members of the Environmental Management Unit participate in the process of granting certificates for technical standards for the vessels.

The contribution of concessions to the GNP budget

In 2011, the GNP budget was approximately US\$21 million, from which US\$6.7 million was transferred by law to other public institutions established in the Galapagos³⁷. The remaining US\$14.4 million was spent on management of the protected area. Total revenues amounted to US\$15.5 million, with concessions revenue accounting for almost 7% of this. This financial mechanism is the third largest source of revenues for the GNP after the US\$11.4 million generated by tourism entrance fees and US\$1.9 million from 'other contributions'. Given that total revenues are larger than operating costs, it can be said that the GNP is financially sustainable.

³⁶ According to article 100 of the Administrative Statute of the GNP, the pertinence of a project will be rated in the basis of the following parameters:

1. Pre-feasibility study of the tourism project
2. Relinquishing their artisan fishing activities in order to engage in touristic activities.

³⁷ According to the Organic Law for the Special Regimen for the Conservation and Sustainable Development of the Galapagos, revenues generated by tourism entrance fees are distributed as shown.

It is worth mentioning that the tourism operation concession fees were established in 1998 and have not been reviewed since then, whereas costs to the GNP of administering tourism operations increases every year. As a result, the amount collected from concessions each year is gradually reducing, providing progressively smaller contributions to the GNP's budget and, consequently, fewer resources to fund tourism and conservation management.

Concession fees

Currently, payments for tourism concessions are based on a fixed annual rate for each available bed on the vessels operating in the Galapagos Islands and not on their actual occupancy. Table 3.4 provides details of the ranges of vessel bed rates.

In this context, several alternatives have been proposed to update the fees charged for tourism concessions. The first proposal is based on recovering costs by identifying all direct and indirect costs incurred by the GNP in the implementation and management of the licenses and permits system. Once total costs are assessed, a model will be developed in order to assign each type of tourism operation a fee equivalent to the actual management costs. As each type of tourism operation fee is defined, it is subject to change based on incentives for environmental protection and conservation of the Galapagos. While this model will ensure the fee is sufficient to recover GNP costs, it will not result in a 'profit' that can be used for conservation management purposes.

The second proposal is based on the implementation of a tax model based on the average profit received by each operator in the Galapagos Islands. However, this option is complicated due to the lack of financial information held on these tourism operators, as well as the fact that many companies operating in the Galapagos file their taxes on the Ecuadorian mainland.

Overall, this case study highlights how concessions have been managed in a situation where there has been year-on-year growth in the demand for them. While it appears that revenue outcomes could be improved, the concession allocation processes used, based on predetermined quota, allocated publicly and accompanied by follow-up monitoring, is helping to ensure that these islands, rich in biodiversity, are protected now and for future generations.

Concession activities are mostly boat based in the Galapagos Islands. Photo: José Galindo.



Case study: Declining a concession for a tunnel through two national parks

It is often possible to learn more from cases where proposals have been declined than where they have been accepted, because these proposals can stretch and fully test our laws, concessions systems and planning processes. This case study presents one such example.

An application was made for a concession to build a tunnel for buses through Mount Aspiring and Fiordland National Parks, South Island, New Zealand. Both parks are part of a larger World Heritage Area. The 5 m diameter, 11.3 km long, one-lane bus tunnel was proposed between the Dart Valley, adjacent to the Routeburn Track, through to the Hollyford Valley, where it would link up with the road to Milford Sound. The NZ\$180 million project would have halved the travel time for the 420,000 visitors per year who travel to Milford Sound from the tourist hub of Queenstown.

After the Mount Aspiring National Park Management Plan reached the end of its term and was reviewed with public input, the concession application for a tunnel was considered and then declined by Conservation Minister Dr Nick Smith³⁸.

Dr Smith stated: "I am declining this tunnel proposal because the environmental impacts are significant and beyond what is appropriate in two of New Zealand's most spectacular National Parks and a World Heritage Area.

This is a significant decision and I have given it a great deal of thought and consideration. I have met the applicants, studied the major reports, sought thorough advice, visited the site, and weighed up strong views of both the supporters and opponents, he said.

There are three major reasons for declining this tunnel application. The first is that depositing half a million tonnes of tunnel spoil would permanently damage the natural and landscape values in Hollyford Valley. The second is the impact of the new roads and portals at each end, and particularly the impacts on visitors at the entrance to the Routeburn track. My third concern is that the engineering works and tunnel are inconsistent with the Fiordland and Mt Aspiring National Park Management Plans.

I also have concerns about the economic viability and safety of this tunnel proposal. These issues are interrelated in that making a long narrow tunnel safe requires huge investment in ventilation and emergency systems. I am not satisfied that the tunnel can be safely built for a price that makes it economically viable. The risk for the Government under these circumstances is that corners are cut or the project is left half-completed with a clean-up liability for the public.

I appreciate my decision will be a disappointment to the applicants and their supporters. I do not in any way criticize them for their entrepreneurial spirit or ambition to ease access for the hundreds of thousands of people who visit Milford Sound. This is a conservative decision in which I have decided that nature deserves the benefit of any doubt."

³⁸ Minister of Conservation, press release 17 July 2013, Minister declines Milford Dart Tunnel proposal. Office of the Minister of Conservation. Accessed July 2014 from <http://www.doc.govt.nz/about-doc/news/media-releases/2013/minister-declines-milford-dart-tunnel-proposal/>

SUMMARY

This chapter was presented in three parts. Part 1 dealt with the broader planning considerations that relate to planning in protected areas, specifically in relation to concessions matters. This showed how management of concession activities can be separated into three elements—planning, allocation and monitoring. Planning determines ‘what’ should be allowed and the allocation determines ‘how’ this is allocated. While specific development plans for a protected area can be undertaken, these need to be incorporated into park management plans and integrated across all functions, including biodiversity, pest and weed control, fire, recreation and tourism functions. Concession activities need to sit within this context to complement and support the desired outcomes from the protected area. It is also important that protected area plans are anchored in national and international strategies, including not just biodiversity strategies but also those relating to tourism. Finally, this section also highlighted some of the challenges for planning staff to consider when dealing with concession issues in park plans.

Part 2 provided information on a number of tools and processes that protected area managers can employ if they wish to actively attract investment to expand the benefits of concession activities in protected areas, local communities and regional and national economies. This section included case studies from Namibia and China.

Part 3 presented 16 actions that can be taken in situations where there may be too many concessions or where there is a need to balance use and preservation more carefully. Many of these measures should be employed as a matter of standard practice, not just when development gets out of control. Concession staff and protected area managers need the law, policy, planning, tools and processes to deal with situations where there may be too many concessions, over-commercialization and negative impacts. Case studies from South Africa, USA, New Zealand and the Galapagos Islands demonstrated how agencies were practically applying many of these actions in their countries.

All concession activities must, ultimately, benefit the protected area in which they occur (and conservation generally). They should complement the facilities and services provided by the protected area agency and help achieve the agency’s vision and goals for the area.

The following chapters address in greater detail many of the subjects raised and addressed briefly in this planning chapter. The effects of activities and environmental impact assessment are examined in Chapter Four; the allocation of concessions is the subject of Chapter Five and advice on monitoring is given in Chapter Seven.

ACTIONS

1. Take a systematic approach to concession management: Plan → Allocate → Monitor.
2. Apply the principles of ecotourism to concession management in protected areas.
3. If there are not enough concessions and to increase the benefits that concession activities can offer; use the step-wise processes in this chapter to commission tourism studies, identify new opportunities and allocate these to the private sector.
4. Ensure all concessions have limits placed on the amount of activity they can undertake.
5. Avoid awarding too many concessions by applying planning tools and taking a precautionary approach.
6. If there are too many concessions or significant concerns about the impact of existing commercial operations, work with planning staff, stakeholders and concessionaires to apply one, or a number, of the 16 measures identified in this chapter.

TOOLS

Tools and references for planning in protected areas:

- Thomas, L.; Middleton, J. (2003). Guidelines for management planning of protected areas. IUCN Gland, Switzerland and Cambridge, UK.
- Conservation Training Module 4: Management planning. Available at <https://www.conservationtraining.org/mod/page/view.php?id=2864>

Useful resources for tourism planning in protected areas:

- UNEP (2005) Forging links between protected areas and the tourism sector: how tourism can benefit conservation. United Nations Environment Programme, Paris, France.
- UNEP & WTO (2005) Making tourism more sustainable: a guide for policy makers, France.
- Fundacion ANATURA (undated) European Charter for Sustainable Tourism: A guide for tourism companies. www.andanatura.org
- Eagles, P.; McCool, S.; Haynes, C. (2002) Sustainable tourism in protected areas: guidelines for planning and management. IUCN Gland, Switzerland and Cambridge, UK.

Tourism concession planning in Khaudum National Park made significant progress once a field visit was undertaken with protected area field staff, tourism consultants and representatives from local communities.



Crowded and over commercialised destinations in protected areas are a sign of poor management and these sites will quickly become unattractive for visitors. There is often a fine line between too few and too many concessions.



Introduction

Environmental management has taken on greater urgency in recent years due to political recognition of the serious environmental problems facing humanity at all scales¹. Environmental impact assessment (EIA) is one of the most important tools employed in contemporary environmental management. It is primarily concerned with evaluating the consequences of management decisions before the actual activity or policy is implemented.

For the purpose of this chapter EIA refers to the assessment of effects associated with individual concession activities or developments. EIA as it relates to broader environmental impact statements at a plan or policy level is outside the scope of this publication.

EIA has a relatively short history as an environmental management tool. It was first given legislative recognition in the USA in 1969. Since this environmental 'awakening' it has been adopted by most industrialized and many developing countries² (see Box 4.1).

Box 4.1: EIA in Canada and New Zealand

"Parks Canada undertakes approximately 700 environmental impact assessments every year, covering a wide range of topics and issues of various levels of complexity. The majority of these assessments are small project screenings, but they also include larger projects, projects involving complex jurisdictional issues ... and the environmental assessments of plans and policies."³

EIA was first adopted in New Zealand in 1974 but its initial use and scope was very limited. The Resource Management Act 1991 brought about significant change, emphasizing the management of activities' effects or impacts on the environment rather than just regulating activities per se. With regard to the management of concession activities in New Zealand's protected natural areas, the equivalent change came about in 1996 with the enactment of an 'effects-based' approach contained in Part IIIB of the Conservation Act 1987. This requires concession applicants to identify the effects of their activities and to consider ways of avoiding or reducing these effects. It also requires the Department of Conservation (DOC) to consider the impacts on a protected area before the proposal is approved or declined.

Many protected area agencies manage a wide range of concession activities, including guided walking, hunting, fishing, wildlife viewing and marine mammal watching, climbing, caving, international multi-sport events, mountain biking, bungee jumping, horse trekking, stock grazing, filming, major aircraft operations such as heli-hiking, heli-biking and heli-skiing, scenic snow landings and airports, wild animal recovery, telecommunication sites, destination beaches, hotels, eco-lodges, game drives, 4X4 driving, hot air ballooning and ski areas. All of these activities have impacts that need to be understood so they can be avoided or managed.

One of the key challenges in concession management is to determine what impacts an activity may have on conservation values before a concession is awarded. This is the role of EIA. As with planning (Chapter Three), awarding concessions (Chapter Five) and monitoring (Chapter Seven), EIA is a key tool that helps protected area managers and concession applicants to predict, avoid and mitigate the impacts of business activities.

¹ Morgan, R.K. (1998) Environmental impact assessment: a methodological perspective. Klumer Academic Publishers, The Netherlands. 307 p.

² Peterson, R.Z. (1999) Environmental impact assessment of small scale activities in New Zealand. Centre for Impact Assessment Research and Training, University of Otago, New Zealand. 123 p.

³ Kingsley, L. (1997) A guide to environmental assessments: assessing cumulative effects. Parks Canada, Department of Canadian Heritage, Quebec, Canada.

Key messages

1. EIAs have become standard practice in the management of natural resources and are often a legal requirement for new developments. If concessionaires and protected area staff understand and use EIA concepts, then many adverse impacts can be avoided, remedied or mitigated in the design stage of a concession activity, before it is allowed to take place. This benefits both operators and conservation.
2. Significant adverse impacts from concession operations in protected areas are not acceptable. Concessions must be an asset to a protected area, not a threat. Significant adverse effects need to be avoided or reduced, or the activity should not be permitted.
3. EIA processes should be a normal part of a protected area agency's concession business, whether for new concession activities (via incoming applications or outgoing tenders) or for extensions to existing concessions.
4. EIA procedures and tools need to be scalable to match the size and potential impacts of each proposed concession activity.
5. With an increasing need to rigorously conserve protected areas and growing environmental awareness amongst visitors to these areas, actively managing the adverse impacts of concessions needs to become the normal way of working.
6. The best time to reduce impacts is at the beginning or design stage of a development. Who does the EIA is likely to depend on whether the opportunity is being assessed and tendered by a protected area agency, in which case agency staff or their consultants would at least scope or even complete an EIA; or whether unsolicited applications are being accepted, in which case the applicant would complete the EIA.

Discussion

This chapter has three parts. Part 1 defines key terms and provides background information on EIA and its relevance as a tool for concession management in protected natural areas. Criteria for evaluating the effectiveness of any process and some basic principles of EIA are outlined.

There are many different models to EIA but most are variations of the same themes. Part 2 outlines the 'scientific' approach to EIA which seems to be best-suited to concession activities.

Part 3 examines the importance of auditing EIAs and provides guidance to protected area staff whose task it is to assess and make recommendations on applications based on the impacts that have been identified. Tools that will assist applicants to self-audit and staff to assess new applications are presented.

Appendix 4.1 presents an example of an effects identification checklist relevant to concession activities. Managers can use this checklist as a tool, adapting it to their own situation, to help concession applicants and staff scope possible impacts and identify mitigation measures.

Part 1: Key terms and background

EIA has been defined as a process of consciously and systematically identifying the direct or indirect (including cumulative) effects of a proposed policy, plan or project, prior to the commencement of that activity. But EIA is more than just an impact identification tool. In many definitions there

are common and recurrent themes relating to prediction, identification of impacts, mitigation, alternatives, participation and monitoring that, when considered together, lead to improved outcomes for the environment^{4,5}.

Definition of environment

For the purpose of this chapter, the 'environment' includes a) the physical or natural environment

⁴ Ministry for the Environment (1999) Auditing assessment of environmental effects: a good practice guide. Ministry for the Environment, Wellington, New Zealand.

⁵ Gilpin, A. (1995) Environmental impact assessment: cutting edge for the twenty-first Century. Cambridge University Press, Cambridge UK. 182 p.

including both biotic and abiotic features; b) the social environment, including cultural values, historic features, recreation and tourism activities (generally but not always excluding socio-economic issues); and c) the management environment. These definitions are consistent with Manning (1986)⁶ and Gilpin (1995). Other definitions include ecosystems, natural and physical resources, amenity values, social, cultural and economic matters⁷.

Description of effect

The following bullets provide a useful summary of the types of effect or impact that should be considered, because they capture both cumulative and potential effects⁸:

- Any positive or adverse effect
- Any temporary or permanent effect
- Any past, present or future effect
- Any cumulative effect that arises over time or in combination with other effects, regardless of the scale, intensity, duration or frequency of the effect
- Any potential effect of high probability
- Any potential effect of low probability that has a high potential impact

What is a significant effect?

The terms 'EIA' and 'environment' are well defined in the literature. They are almost always used in conjunction with the term 'significant effect'. However, this term—perhaps the most important with respect to EIA—is mostly left undefined. Gilpin (1995) suggests that significance often refers to an effect that is outside the limit of acceptance, which then must be avoided, remedied or mitigated back below this 'acceptable limit'. If this cannot be undertaken to an appropriate level, then the project or activity should not be permitted. Gilpin goes on to suggest that 'significance' is a subjective judgement often influenced by the experience of staff assessing the effect or by the public, usually through responses to a notified process or statutory plan that predetermines what is and is not acceptable. Political considerations can also come into play when considering what is or is not a significant effect. In the concession application process it is the decision maker that has the delegated authority to make the final judgement on whether an effect is significant and therefore unacceptable.

While significant effects are important when deciding whether or not to approve an activity, EIAs go beyond the identification and management of significant effects to managing and reducing as many impacts as possible. For example, cumulative effects that may be relatively benign individually might be considered significant when assessed together.

Offsetting

A relatively new area within EIA relates to offsets; although, for concessions in protected areas the approach should rarely be used. Offsetting "... seeks to ensure that unavoidable adverse environmental impacts of a development are counterbalanced by environmental gains, with the overall aim of achieving a net neutral or beneficial outcome. In line with sustainable development, offsets represent one important tool for maintaining or enhancing environmental values in situations where social and economic development is sought despite detrimental environmental impacts. Offsets are generally intended as an option for addressing residual environmental impacts of development, after efforts have been undertaken to avoid and minimize impacts."⁹

A number of types of offsets can be applied, ranging from mitigation through restoration or protection in alternate locations, compensation, or even biodiversity banking. Many countries have their own offsetting policy which tends to apply to large-scale developments. Offsetting is a useful concept, but it is complex and well beyond the scope of this publication¹⁰.

Purpose of EIA

The main purpose of EIAs is to guide decision makers on the acceptability of identified effects as they decide whether to approve or decline particular proposals (from either a protected area agency or applicants). EIAs should help avoid situations where potential impacts remain unforeseen and therefore unconsidered. The following example—an application for heli-skiing in the Two Thumb Range in New Zealand's South Island—illustrates how EIA thinking works in practice. The application was for a wide area that included a recreation area highly valued for its remote, cross-country skiing opportunities, of which there are a limited number

⁶ Manning, R. (1986) *Studies in outdoor recreation: a review and synthesis of the social literature in outdoor recreation*. Oregon State University Press, Oregon, USA. 166 p.

⁷ Resource Management Act 1991, Part One, Interpretation and Application, New Zealand.

⁸ Resource Management Act 1991, Section 3, Meaning of Effect, New Zealand.

⁹ McKenney, B. (2005) *Environmental offset policies, principles, and methods: a review of selected legislative frameworks for Biodiversity Neutral Initiative*. 76 p.

¹⁰ For further information, refer to *Forest Trends (2009) Business and Biodiversity Offsets Programme (BBOP)*. BBOP, Washington, DC Available from: www.forest-trends.org/biodiversityoffsetprogram/guidelines/oih.pdf

in this region. In this case, the major impact was on the other recreational users' social environment. The noise and activities generated by the heli-skiing proposal would conflict with the cross country skiers' highly valued remote backcountry experience. The EIA process highlighted this potential conflict well before a decision was made to award or decline the concession and this led to the applicant voluntarily withdrawing particular areas from their application.

Environmental impact assessment also¹¹:

- Helps educate applicants and advocate to them the importance of the environment and the effect they will have on it
- Assists in the identification of positive effects
- Determines the required mitigation activities
- Is multi-disciplinary and inclusive, as it considers the views of others
- Provides an ongoing basis for monitoring,

which should then feed back into the design or mitigation of a proposals effects

- Helps test project feasibility and design, e.g. in some cases a lower impact method is also the cheaper option

The purpose of EIA is not to undertake a cost benefit analysis of a proposal. Trading adverse impacts for other benefits is generally not appropriate in protected areas because of their key purpose and because protected areas are not easily replaceable. This type of trade-off sometimes takes place for large-scale mining activities in some countries, but generally not for tourism concession activities (see offsetting, above).

The International Association for Impact Assessment (2001) also suggests a number of principles that are required for effective EIA (Box 4.2)¹².

Box 4.2: Principles of effective EIA

Purposeful—the process should inform decision-making and result in appropriate levels of environmental protection and community well being.

Rigorous—the process should apply 'best practicable' science, employing methodologies and techniques appropriate to address the problems being investigated.

Practical—the process should result in information and outputs which assist with problem solving and are acceptable to and able to be implemented by proponents.

Relevant—the process should provide sufficient, reliable and usable information for development planning and decision making.

Cost-effective—the process should achieve the objectives of EIA within the limits of available information, time, resources and methodology.

Efficient—the process should impose the minimum cost burdens in terms of time and finance on proponents and participants consistent with meeting accepted requirements and objectives of EIA.

Focused—the process should concentrate on significant environmental effects and key issues; i.e., the matters that need to be taken into account in making decisions.

Adaptive—the process should be adjusted to the realities, issues and circumstances of the proposals under review without compromising the integrity of the process, and be iterative, incorporating lessons learned throughout the proposal's life cycle.

Participative—the process should provide appropriate opportunities to inform and involve the interested and affected public, and their inputs and concerns should be addressed explicitly in the documentation and decision making.

Interdisciplinary—the process should ensure that the appropriate techniques and experts in the relevant biophysical and socio-economic disciplines are employed, including use of traditional knowledge as relevant.

¹¹ Ministry for the Environment (1999). A guide to preparing a basic AEE. Ministry for the Environment, Wellington, New Zealand. 36 p.

¹² International Association for Impact Assessment in cooperation with the Institute of Environmental Assessment (2001) Principles of Environmental Impact Assessment Best Practice. Institute of Environmental Assessment, Fargo, N.D. Lincoln, UK.

Credible—the process should be carried out with professionalism, rigor, fairness, objectivity, impartiality and balance, and be subject to independent checks and verification.

Integrated—the process should address the interrelationships of social, economic and biophysical aspects.

Transparent—the process should have clear, easily understood requirements for EIA content; ensure public access to information; identify the factors that are to be taken into account in decision making; and acknowledge limitations and difficulties.

Systematic—the process should result in full consideration of all relevant information on the affected environment, of proposed alternatives and their impacts, and of the measures necessary to monitor and investigate residual effects.

Part 2: The scientific model of EIA

This part of the chapter examines the scientific model of EIA as presented by Peterson (1999). An effects identification checklist relevant to many concessions activities and their impacts is also outlined (see Table 1 below and Appendix 4.1). The

purpose of this is twofold; firstly, it highlights the relevance of EIA to managing concession impacts in protected natural areas. Secondly, the checklist is a tool that can be adapted by protected area managers to their own situation, so that it can be used to assist concession applicants or staff scope possible impacts and identify mitigation measures.

Table 4.1: Example impact checklist to help scope and mitigate small- to medium-sized tourism concession impacts.¹⁴

Features	Potential adverse effects	Examples of mitigation measures
Terrestrial (land) values	Reduction of or damage to indigenous biodiversity.	<ul style="list-style-type: none"> Concessionaire may need to look at alternative locations, concentrate activities into areas that can sustain use, or concentrate activities to a time of day, week, month or season when the impacts on other visitors or wildlife will be less critical (e.g. outside holiday times or outside the breeding season). At very low levels of overall activity, dispersing activities may mitigate impacts.
	Clearance, disturbance, modification or destruction of any vegetation or natural area.	<ul style="list-style-type: none"> Restoration and/or revegetation of the site may be necessary. If impact is along a track, then hardening the track may be an option (note that improved access can result in additional visitors). Concessionaire must educate their staff and clients on low-impact behaviour such as keeping to existing tracks and not collecting vegetation. Keeping stocking rates down, fencing-off areas of regenerating vegetation. Revegetation programmes for ski area and telecommunications developments.

¹³Peterson, R.Z. (1999) Environmental impact assessment of small scale activities in New Zealand. Centre for Impact Assessment Research and Training, University of Otago, New Zealand. 123 p.

¹⁴Department of Conservation: Environmental Impact Assessment audit and best practice reference for concession staff. Wellington, New Zealand.

Features	Potential adverse effects	Examples of mitigation measures
	Damage to wildlife through disturbance, alteration of habitat or direct killing which may then influence migration, reproduction levels population numbers and species composition.	<ul style="list-style-type: none"> • Examine alternatives to proposal, especially if it is in a sensitive or breeding areas. • Determine approach distances and educate concessionaire on appropriate behaviour for them and clients in any setting where wildlife is present and to warn clients of possible danger (e.g. bites from seals). • Don't startle wildlife with noise or bright clothing. • Use infrared lights instead of torches for night viewing. • Do not allow feeding of any species. • Ensure that 4X4 vehicles adhere to minimum impact codes and take extra care during breeding periods. Ensure boats and 4X4 vehicles operate at very low speed where wildlife may be present. • Select alternative forms of transport. • Clearly identify baseline environmental conditions for site-specific proposals to ensure there is no impact on wildlife habitat. • Put in place a predator-trapping programme. • Report anything unusual to the nearest protected area office.
	Introduction of new threats, or increase in existing threats to indigenous ecosystems e.g. pests and weeds.	<ul style="list-style-type: none"> • Ensure clean boot policy is in place and that concessionaire educates clients on the importance of this. Horses must graze on weed-free-paddocks for 3 days prior to visiting a protected area. • Ensure all machinery, gravel, stock feed, etc. is weed free. • If problem is site-specific, then monitor infestation and have programmes in place to control pests or weeds.
	Rubbish or debris left.	<ul style="list-style-type: none"> • Unacceptable, ensure concessionaire promotes to clients and staff a 'pack it in, pack it out' philosophy. • Designate someone in the party as a 'tail end Charlie' to pick up rubbish. • Provide rubbish bags, proper waste containers and removal procedures and ensure these are not accessible to wildlife or able to be blown away.
Aquatic and marine values	Damage, disturbance or modification to aquatic life or habitat.	<ul style="list-style-type: none"> • Can be very significant in high-use areas. Concessionaire must promote environmental care through client and staff education and ensure nothing is taken from marine reserves. • Provide and share secure moorings (do not use anchors). • Concentrate or disperse diving activities depending on use levels. • Ensure boats operate at low speed in shallow waters. • Establish fences or bridges over riparian zones and encourage native regeneration to occur.
	Restriction of native fish passage.	<ul style="list-style-type: none"> • Very significant impact. Look at alternative methods and locations for activities; if unavoidable, then install purpose-designed fish passage structures.
	Discharge of pollutants to waterways (e.g. sediment, sewage, diesel spills).	<ul style="list-style-type: none"> • Back country travel—ensure human waste is buried at least 50 m from all water sources. • Ensure machinery is well serviced and in good working order, fuel is stored in properly bunded facilities and refuelling occurs over bunded areas or use fuel spill matting. Have contingency plan for mop up in case of accident.

Features	Potential adverse effects	Examples of mitigation measures
		<ul style="list-style-type: none"> • Use sediment traps or booms if working near waterways. • All boat waste, including ballast water, to be properly disposed of outside the protected area. • Monitor effluent discharges and ensure proper treatment methods/ drainage fields if it cannot be lifted out.
	Erosion, scouring or deposition of riverbed or banks.	<ul style="list-style-type: none"> • Ensure all 'up-hill' activities are well managed to reduce runoff and effects on water quality. • Restore native vegetation to riverbanks. • Reduce boat or vehicle speed. • Concentrate to a few places and harden stream crossings. • Fence riparian zones and provide alternative water sources.
	Alteration of water levels in watercourses or wetlands.	<ul style="list-style-type: none"> • Likely to have significant impact on aquatic life and vegetation. If no alternative location is available, then look at alternative designs such as small 'natural' dams with fish passages or collecting rainwater.
	Introduction of new threats, or increase in existing threats to indigenous ecosystems (e.g. pests and weeds)	<ul style="list-style-type: none"> • Significant threat to conservation. Ensure concessionaires educate clients on the importance of this threat to conservation. • Ensure all boats are kept clean and are weed free. • If site specific, then monitor infestation and have control programmes in place to control pests or weeds.
Historic values	Damage to historic sites or objects (e.g. disturbance of the ground at culturally significant sites).	<ul style="list-style-type: none"> • Ensure concessionaires provide clients and staff with education to avoid impacting these conservation values. • Limit approach distance, stick to existing paths and harden walking areas. • If a historic place, develop a maintenance and restoration programme with protected area agency input.
Cultural values	Activity has potential to be offensive to ingenious cultures, local people or members of the public generally.	<ul style="list-style-type: none"> • Consult with concerned local people over proposal. • Ensure any cultural interpretation is consistent with the values of local people or, better still, employ them to tell these stories. • Ensure concessionaire educates clients to respect cultural values or traditions.
Landscape values	<p>Damage to landforms.</p> <p>Impingement on the landscape (i.e. stands out as being 'non-natural').</p> <p>Damage to geological features.</p> <p>Reduction of the natural character of wetlands, rivers and streams.</p> <p>Loss of open space.</p>	<ul style="list-style-type: none"> • For the construction of any facility you are required to look at alternative locations outside the protected area or park. • Can any existing buildings/structures be used? • Examine alternative designs that will blend the facility into the landscape. Designs that have low relief with as few levels as possible will generally be best. Use of natural materials and colours that harmonize with the environment will be preferred. • For telecommunications, look at alternative locations, co-siting and other options to allow facility to blend in.

Features	Potential adverse effects	Examples of mitigation measures
Recreation/ enjoyment/ free access	<p>Crowding, too many people in a hut or along the track, viewing site or even car park</p> <p>Conflict between different activities and visitors.</p> <p>Displacement of other visitors.</p> <p>Noise. Does your proposed activity damage people's quiet enjoyment of the area (e.g. loud noises)?</p> <p>Limiting access or recreation opportunities for others. Will the proposed activity limit access to other visitors?</p> <p>Safety. Will your activity pose a risk to public safety or cause adverse health effects?</p> <p>Exacerbation of natural hazard events.</p> <p>Damage or impingement on other existing public use facilities.</p>	<ul style="list-style-type: none"> • Ensure your party size is consistent with the recreation setting, limit frequency of visits, time visits to coincide with off-peak periods of the day, week, season or year. • Carry tents in case hut is full. • Co-ordinate visits with other concessionaires. • Seek alternative location if the proposal is not in keeping with the area's recreation setting? • Very significant impact; look at alternative locations where your proposed activity is more appropriate. • Ensure concessionaires educate staff and clients on the need to respect other visitors and their right to quiet enjoyment of the area. • Aircraft, boats and other vehicles: obtain those that operate most quietly, examine flight paths, altitude, RPM settings, frequency of trips, and concentrate timing of trips. Adhere to industry codes of conduct. • Significant impact on public land and generally not acceptable. • Examine alternative designs on how to allow for or, preferably, enhance public access. • Place notices in appropriate languages. • Manage risk and storage of dangerous goods. • Detail management in safety plan. • Have procedures in place to notify the protected area organization immediately if any hazards are found. • Propose a maintenance programme or contribute to any existing maintenance programmes. • Ensure concessionaires educate staff and clients to respect public facilities.
Cumulative impact on any values	<p>Will the proposed activity result in any significant cumulative impact on the physical, social or management environment of the protected area?</p>	<ul style="list-style-type: none"> • Cumulative effects can have a very significant impact over time, but are difficult for single operators to manage. • Consider alternative locations or concentrating activities into off-peak times. • Provide indicative development plan and business plan for natural limits to growth. • Focus on yield, not quantity. • Work with the protected area organization during planning processes to protect values.
Others	<p>Incompatibility with protected area values (e.g. provides an anti-conservation message).</p>	<ul style="list-style-type: none"> • Look at alternative locations or alternative 'message' more in keeping with conservation.



Viewing wildlife with a guide is a popular concession based activity in many countries. When wildlife are given their space it can be very beneficial, however, if it is poorly managed it can result significant adverse impacts for wildlife. A concession contract and EIA process are mechanisms that can help to ensure the right balance is struck. Photo: Wilderness Safaris

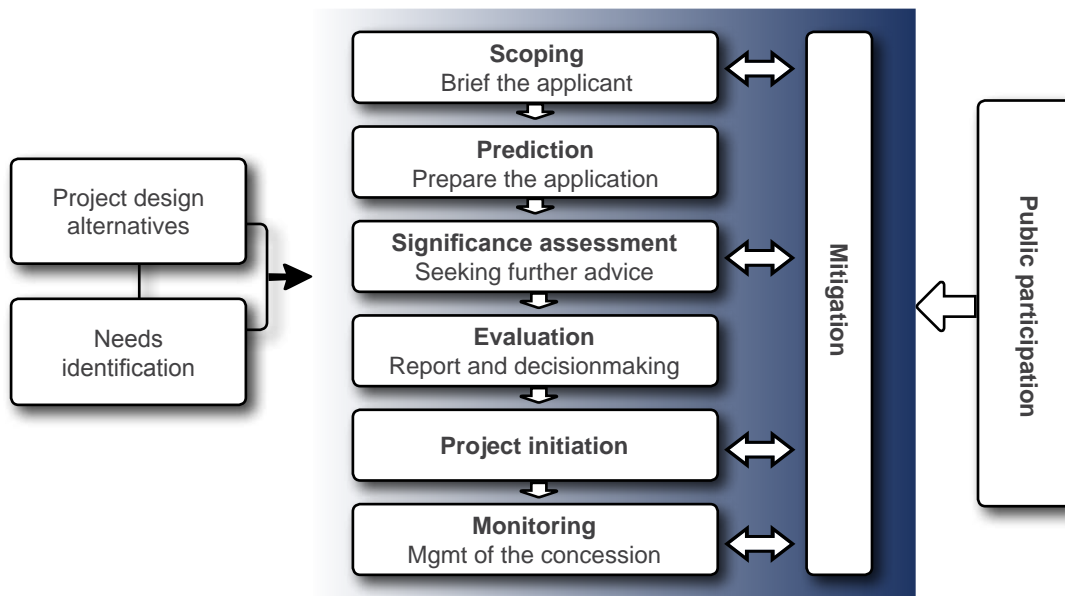
The rationale for the scientific model is that impact prediction and evaluation is presented in a scientifically robust way, and then tested. For example, an EIA for a mountain run event might anticipate that runners will train for the event over the proposed course (e.g. a walking track). As they train they will encounter people who normally use the track and this higher level of use may lead to over-crowding or otherwise impact the enjoyment and satisfaction of existing users. In this case the applicant might propose several options for mitigating potential impacts, such as limiting the amount or timing of training, or prohibiting training altogether. The decision maker would consider the mitigation options and select the most appropriate, which would then be applied. Monitoring the impact of the event against predetermined 'acceptable' criteria enables protected area managers to evaluate whether the mitigation measure was effective or not. If, after the event, monitoring indicates that the event's effects are still unacceptable, other mitigation measures can be selected and tried during the next event; for instance, banning pre-training runs altogether. If no other effective mitigation measure is available, then the concession activity could be declined.

Another strength of the scientific model is that monitoring results feed back into the design and running of the concession activity and the lessons from one project can be applied to the next. However, this approach has a downside, in that it appears to work on the basis that activities should be approved first and then monitored, so that impact measures can be selected based on the monitoring results. However, this is not the case; every effort must be made to reduce impacts before an activity occurs. The purpose of the monitoring is to ensure that the effects of the activity are what were predicted and that no unintended impacts have occurred.

Figure 4.1 outlines the key components and steps needed to undertake an EIA using the scientific model. This consists of six key steps, which are overlaid at various points by mitigation measures, public participation, assessment of project alternatives and needs justification.

A description of the scientific model's key components and their relevance to concession application processes or the scoping of new opportunities is outlined below. This is not a process that is run separate to a concession

Figure 4.1: The scientific approach to EIA can be incorporated into concession award processes.



application or tender process; these steps and the thinking they represent should be incorporated into a protected area agency's processes for identifying new opportunities and **awarding concessions**.

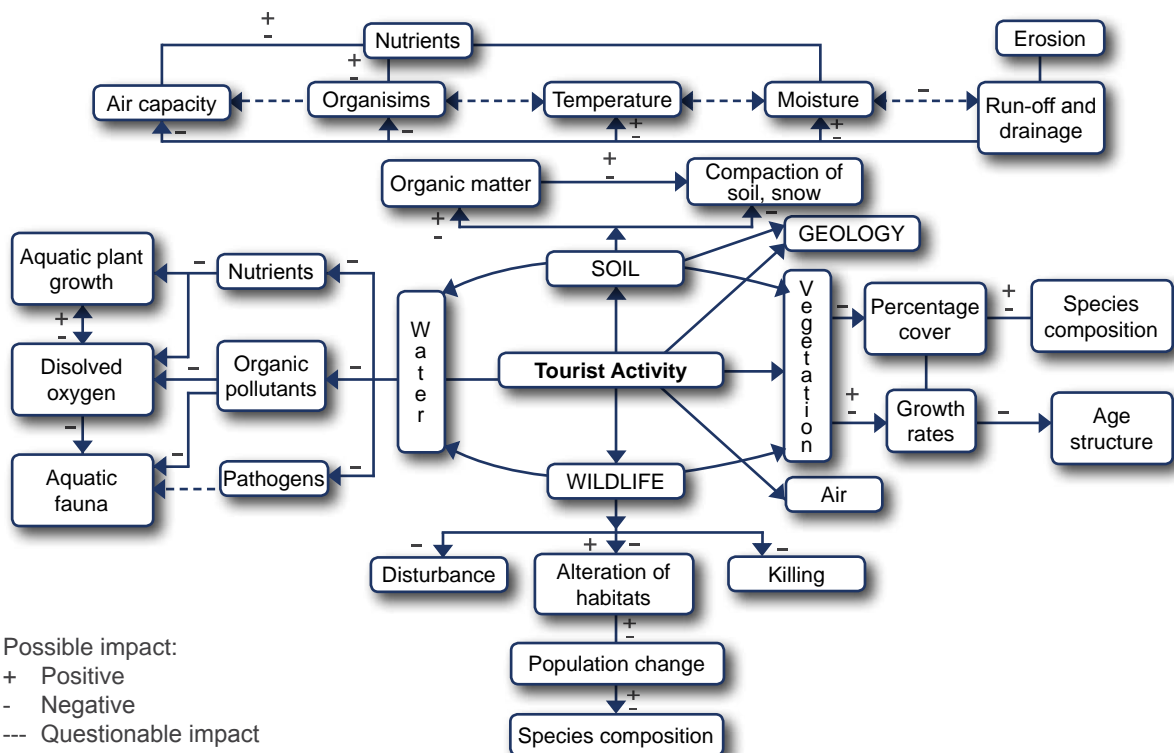
Scoping and impact identification. The objective of this component is to identify the important characteristics of the existing environment (baseline) and link them to aspects of the proposed activity or development. It is important to identify the key potential impacts from all the possible impacts of the activity. In this way, scoping helps to narrow down the list of potential impacts by determining which are the most important to assess. The following questions can help concession applicants or protected area staff to scope the impacts of a proposal.

1. Does the area contain unique, outstanding or significant ecological, cultural or recreational values?
2. How fragile are these resources? What are the actual and potential changes that could occur as a result of the activity?

3. Does the area contain known breeding habitat that may be impacted by the activity?
4. What is the condition of the area's resources (how close to natural or virgin state)?
5. What kind of activities does the area currently support?
6. What are the cultural values of the area? How do local people feel about these values and the potential impacts of this activity on them?
7. What are the recreation motivations of people attracted to the area or what is it about the area that people value?
8. What are the socio-economic and cultural characteristics of people attracted to the area¹⁵?
9. What is the likely attitude of existing visitors to the proposal?
10. What purpose is the land held for? Is the proposed activity consistent with this purpose?

An alternative way of presenting impact information is to use models similar to that shown in Figure 4.2. This diagram highlights some of the physical

Figure 4.2: The physical impacts of tourism¹⁶.



¹⁵ Adapted from: Manning, R. (1986) Studies in outdoor recreation: a review and synthesis of the social literature in outdoor recreation. Oregon State University Press, Oregon, USA. 166 p.

¹⁶ Adapted from Mathieson, A.; Wall, G. (1992) Tourism, economic, physical and social Impacts. Longman Group Limited, England.

impacts of tourism and how one effect can lead on to others.

Roles Who does the EIA can depend on the laws of a particular country and whether the opportunity is being tendered or an unsolicited application is being accepted. In the US National Parks Service, for example, the government plays a much more prominent role in the EIA process and may determine the scope of the project and mitigations even before an application is tendered. In New Zealand, the Department of Conservation assists applicants to scope their EIA and then audits the EIA once the unsolicited application is received. If protected area staff are considering tendering a new opportunity, then they should also use the checklist to scope its potential impacts before the decision to tender is made.

For unsolicited applications, concession staff can help applicants by going through the effects identification checklist at the pre-application briefing. Using the list helps identify what issues most need to be considered and the likely effects that will need to be avoided, remedied or mitigated. This pre-application meeting is also a vital part of establishing a successful working relationship between the prospective applicant and the agency for a wide number of reasons (refer to Chapter Five), including scoping and initial screening of potential effects.

If it is clearly evident from the scoping exercise that the activity is inconsistent with the objective(s) and policy (or policies) of the protected area or that the impacts will have a profound significant effect on the protected area, then concession staff have a duty to advise the applicant that their application is not likely to be approved. For example, the impacts of helicopter landings in gazetted wilderness areas or hovercraft operations on RAMSAR wetland areas would clearly be significant and impossible to mitigate. There is no point in wasting the applicants' or agency's time and money by considering these proposals further.

Impact prediction should clearly identify effects related to the proposal, assess the likelihood of occurrence and detail their potential magnitude. Peterson (1999) suggests that at this point applicants should consider:

- Doing 'with' and 'without' project comparisons
- Cumulative effects
- Impact duration
- The risk that the effect will actually occur
The stability and resilience of the environment
- Relative magnitude
- What quality standards apply

Amongst other factors, impact prediction seeks to consider cumulative effects (the impact of all activities, including those from the new proposal). This is becoming an increasingly important consideration in areas where concession activities or tourism are growing rapidly and it is not easy to resolve. This also raises the question: who is responsible for cumulative impact assessment and planning in protected areas? With regard to planning activities, it is clearly the responsibility and role of the protected area agency (in consultation with stakeholders) to manage individual activities, as well as assessing how all activities in a protected area should be managed. With regard to cumulative impact assessment for high-impact and large-scale proposals, the applicant should certainly be responsible in part. However, for small-scale operations where it would be difficult for each individual operator to consider the cumulative impact of their activities and those of other users, the protected area agency should take responsibility for assessing these impacts. Such cases include activities:

- a) that are small and site-based, such as low-impact grazing or small telecommunications installations.
- b) That only make up a small proportion of overall use.
- c) Whose impact is likely to be indistinguishable from those of other recreational visitors, such as guiding, climbing or mountain biking.

The next phase of the scientific model is impact evaluation and decision making. This phase aligns neatly with the evaluation, report write up and decision-making modules of a concession process or the consideration and approval of whether to put new opportunities out to tender. At this point, a decision needs to be made about the significance of impacts (Peterson 1999). In order to do this, the ecological, social and cultural values affected

by the proposed activity need to be considered. For example, if the physical conservation values are rare or vulnerable and the impact prediction tests indicate that those values are not resilient to the impacts of the proposed activity, then, in all likelihood, the impact of the operation on those values will be 'significant'.

It can take time for people to build up the necessary knowledge and skills to competently determine the significance of potential social or physical impacts, including cumulative effects. Therefore, decision makers are often guided by the protected area agency's concession, operational and technical staff. Both staff or applicants may also seek independent specialist advice, particularly on activities with impacts that 'may be' significant. This advice may be combined into a report from concession staff to decision makers.

If applicants or staff are unsure whether an impact is likely to be significant then, at the very least, they should explicitly test this in a scientific manner. Ideally, impact predictions should be stated as testable hypotheses that can be followed-up with a monitoring plan to ensure data are gathered on impact magnitude, duration and spatial distribution. The evaluation of impact significance needs to be explicitly considered during the decision-making process. Given that an application may be declined if significant impacts cannot be effectively mitigated, explicit consideration of what constitutes a 'significant' impact is a reasonable prerequisite. In addition, and early on in the EIA process, the scientific approach suggests that there is a need to establish criteria for acceptable environmental change. Limits of Acceptable Change (LAC) is a well-known concept in resource-based recreation. LAC fits neatly with management intervention actions when unacceptable environmental impacts result from an activity. Combining the above two points suggests that when an impact's significance is unclear, a hypothesis should be formed and tested against predetermined limits of acceptable change. The weakness of this approach is that the activities may have to be permitted and monitored before the hypothesis can be proved. However, research and monitoring of similar activities and sharing of this information can provide a useful mechanism to counter this.

Mitigation (measures to avoid, remedy and mitigate) is a key component of EIA and can occur at different stages of development (see Figure 4.1). Early in the process, during the design, scoping and screening stage, the proposal can be modified to address impacts that are becoming evident as likely to be an issue. Further into the process, when impact prediction and evaluation is more complete, the mitigations required will be identified more scientifically and in greater depth. These can be built into the proposal/application. Finally, during the project's implementation, actual on-the-ground physical or management practice mitigations can also occur.

If an impact becomes significant and not able to be mitigated below the acceptable level, then the proposal itself is unlikely to be acceptable. Consequently, alternatives will need to be found or the proposal is very likely to be declined. Mitigation is defined as "a set of actions designed to reduce, avoid or compensate for the extent, duration or magnitude of any significant effects ... as an on-going process" (Peterson 1999: 23). A range of impact mitigation strategies that can be applied once a development has occurred are presented in Chapter Seven.

Monitoring tests the validity of the predictions made earlier in the EIA process, after the project has been allowed to proceed. This is the area where many protected area agencies perform poorly, considering their mandates around balancing protection and use. Chapter Seven has more discussion on how to set up monitoring programmes and carry out inspections of concession activities.

Aside from checking the validity of an EIA process, monitoring serves two other key purposes. First, it provides information that will improve the effectiveness of future EIAs. Second, monitoring in combination with research helps determine standards and provides information that will assist with planning and future decision-making. In this way, EIA moves from being purely a reactive tool to a proactive resource management tool (Peterson 1999).

Public participation is a vital part of EIA and should start early on in the process (Peterson 1999). Applicants or the protected area agency should

canvas views of key stakeholders, affected parties and experts. This is best achieved when the agency or concession applicant is formulating the proposal. By consulting with affected parties at this point the proponent (either the agency or applicant) may be able to address concerns and incorporate issues into the project design before the application is locked into time-consuming and expensive statutory processes.

For small-scale or low-impact operations (such as guiding or typical game viewing activities), consultation with affected parties or interest groups is unlikely to be needed, unless there are particularly sensitive conservation values at risk (e.g. sites of cultural significance to local people). Rather than consult concession by concession an alternative approach would be to reach agreement with stakeholders on standard concession conditions for certain activities can be applied. In New Zealand, large-scale concessions have to be publicly notified and in most countries, protected

area management plans also have to include public participation so there is often plenty of scope for public input.

Alternative designs, locations or timing of activities are fundamental impact mitigation measures. Alternative locations are often a mandatory consideration for applications that require a lease (such as buildings). Alternative timing considerations (e.g. to avoid wildlife breeding seasons or peak times of the day or season) can often be very useful. Even a measure such as siting an eco lodge a bit further back from a popular wildlife waterhole is an example of using alternative locations to mitigate the impact on wildlife. As with mitigation, alternative design can take place at any time in the process from initial scoping to evaluation and decision-making.

Figure 4.3 shows an easy-to-use sheet that can be used to assess impacts, and ways to mitigate them, for low-impact activities.

Figure 4.3: Example of an easy-to-use EIA sheet for low-impact activities¹⁷.

Location on public conservation land	Special feature or value	Potential effects of your activity on the feature or value (positive or adverse)	Methods to remedy, mitigate or avoid any adverse effects identified
E.g. Tatarua Forest Park	Northern rata - threatened species	Damage to the plants by construction	Brief construction and maintenance staff about the location and the importance of the species; clearly tape-off areas with the species to avoid damage.

Part 3: Quality control—auditing EIAs

Many delays in application processing occur as a result of poorly prepared applications being accepted for processing, which means concession staff spend time writing to applicants for additional information and then waiting for them to provide it. All this costs the applicant and the protected area agency time and money. An alternative approach is for concession staff to undertake an audit of the application when it is first received to determine whether it should be accepted. If it is deemed incomplete and the deficiencies cannot be rectified quickly and easily, then the whole application can

be returned to the applicant with a letter detailing the areas that require further attention. This reduces the cost to the applicant and will reduce some of the criticism that concessions staff often get over the time taken to award concessions. Self audits for applicants and audit checklists for concession staff are tools that assist this process. Examples of these are provided in Boxes 4.4 and 4.5.

As with the preparation of an EIA itself, the amount of effort required to audit should be commensurate with the size, scale and potential effects of the proposal. For example,

- One-off, low-impact concession applications should only require a very basic (even tick box)

¹⁷ Department of Conservation, New Zealand, concession application forms accessed July 2014 from <http://www.doc.govt.nz/about-doc/concessions-and-permits/concessions/applying-for-a-concession/make-a-concession-application/activity-forms/>

Box 4.4: Example of a self-audit EIA checklist for concessions applicants¹⁵

Please use this as a guide to determine whether your application contains sufficient information to enable the protected area agency to begin processing it.

1. The Application Form

Does the application form provide a thorough and detailed description of:

- Who is applying for the concession? Yes/No
- Where you want to operate? Yes/No
- What activities you wish to undertake? Yes/No

The Environmental Impact Assessment (remember this is the basis of how the protected area organisation will make a decision on your application)

- Have you identified the existing conservation values of each location? Yes/No
- Have you identified the actual and potential effects of your activity and ranked each impact's significance? Yes/No
- Have you proposed mitigation measures for each effect? Yes/No
- Have you discussed in your EIA alternative designs, locations or timing for your activity? Yes/No
- Have you outlined an ongoing monitoring programme for your activity? Yes/No
- Are the results of consultation with affected parties, stakeholders and experts included in your application? Yes/No

2. Other

- Is the application fee attached? Yes/No

Your efforts in putting together a detailed application are greatly appreciated and will allow the organisation to effectively and efficiently process your application.

approach to EIA, so the audit would likely be a quick assessment to determine whether the checklist on the application form itself is both complete and accurate.

A one-page audit checklist aligned with the procedure for completing an EIA should suffice for most concession applications relating to guiding activities, sporting events or filming activities where no permanent structures are involved.

For large-scale, potentially high-impact concession applications, it is recommended that a group of experienced concession staff assess the adequacy of the information in the application or development proposal, or even obtain an independent audit at the applicant's expense. This latter option has a number of benefits relating to perceived robustness,

transparency and objectiveness in the application process.

For the bulk of concession applications or development proposals, the checklist (Box 4.5) of EIA audit assessment good practice (as described above) has been adapted from Morgan (1998), MfE (1999a) and Manning (1999) for use in the concession process. This list is presented as a guide that concession staff can adapt and use to support their own system.

Implementing effective EIA processes

To be effective, EIA practices should be incorporated into concession consideration processes. This means that a range of tools and

Box 4.5: Example of an EIA audit checklist for concessions staff¹⁵

EIA Audit Assessment Sheet

Administration

1. Has the applicant lodged their application fee?

Activity and Location

2. Has the applicant clearly described their activity in enough detail for you to complete the following table?

Location	Facilities used	Months of operation	Frequency of visit	Duration of visit	Party size	Total visitor days
E.g. Cass Lagoon Saddle Track	Hamilton Hut, Lagoon Saddle Hut	Nov–March	1 per week	3 days	15 + 1 guide	960

Impact identification

3. Has the applicant clearly defined the locations and provided a description of the physical and social environments, including an outline of existing values that may be vulnerable to the effects of the proposed activity?
4. Has the applicant identified the actual and potential effects?
5. Do you think that any significant effects have been left out? if so please list:

.....

.....

.....

Impact prediction

6. For each effect, has the applicant clearly identified and discussed:
 - Without-project comparisons?
 - Quality standards (e.g. as expressed in the protected area’s management plan or strategy)?
 - Any cumulative effects over time or space?
 - Impact duration?
 - Most importantly, have the potentially significant impacts been identified (Risk + Magnitude)?

Alternatives, mitigation and monitoring

7. Has the applicant proposed measures to avoid, remedy or mitigate each significant effect and will these reduce the impact to below acceptable standards?
8. Has the applicant considered alternative locations and/or planned or designed their proposed activity to have less impact (noting that consideration of alternative locations off conservation lands is a legislative requirement)?

9. Has the applicant proposed a monitoring programme to measure significant or unknown impacts, and is the applicant prepared to alter the activity if monitoring shows that the effect is still significant?

Consultation

10. Has the applicant undertaken any consultation with affected parties such as indigenous groups, existing users or other concessionaires?
11. Has the applicant undertaken any consultation with experts to help identify and assess effects?

General comments

.....

.....

.....

Recommend that the application:

- Contains sufficient detail for further processing or
- Contains insufficient detail and should be returned to the applicant with an explanation of what further information is required

Signed _____

Dated ____/____/____

procedures are needed to support EIA. These include:

1. A set of EIA guidelines for use by concession applicants, or by protected area agencies scoping new opportunities that may be tendered. This can include a checklist of common impacts and measures to avoid or mitigate impacts. This can be presented on the agency's website, along with application guidelines, brochures or forms.
2. Training information or courses for operational and concession staff so they:
 - a) Understand how to use EIA as a tool in their work,
 - b) Are competent enough to explain EIA to operators, and
 - c) Use EIA thinking when they are identifying or testing the feasibility of new opportunities that may be taken to market.
3. Self audit and audit processes for applicants and concession staff to use.
4. Systems and processes that ask for EIA information, consider it, and have the ability to approve or decline proposals based on their impacts.

SUMMARY

Protected area managers face the difficult task of preserving protected areas while at the same time maximizing the benefits of using these areas for broader conservation purposes. This balancing act is at the heart of concession management. Environmental performance associated with concession activities needs to be the best it can be to ensure concession activities are an asset and not a threat to protected area values. It is important to improve impact assessment procedures to ensure the continued protection of biodiversity, landscapes, historical and cultural features and to maintain a high-quality visitor experience.

This chapter has examined general EIA concepts and methods, including impact scoping, identification mitigation and audit. To be most effective, EIA processes should include easy-to-follow guidelines for concession applicants, who are often required to prepare an assessment of effects. Guidelines, support and training for concession staff are also needed so that they can help applicants scope their EIA and audit an impact assessment once it is received.

On their own, EIA systems will not eliminate the challenges in managing preservation and use—planning and monitoring activities are also vital. However, EIA is a key tool in the arsenal of managers that leads to better decision-making, advocates to both applicants and concession staff the importance of managing impacts and helps produce high-quality outcomes for conservation in protected natural areas now and in the future.

ACTIONS

1. Adopt EIA as a tool to help manage the impacts of concession activities if it is not already integrated into the process.
2. Review your agency's material for applicants (web, brochures and application forms) and incorporate EIA considerations, processes and tools into this; try to make this easy for concessionaires.
3. Train key concessions, operational and decision-making staff on EIA or provide them with tools such as checklists, reference materials and/or resources (e.g. technical experts).
4. Ensure consultants or concession staff incorporate EIA considerations into their feasibility studies when identifying new business opportunities.
5. Review and strengthen decision-making criteria around impact considerations.
6. Ensure EIA considerations are scalable to reflect the variable sizes and impacts of proposals.



(Above) Reducing tourism impacts and the effects of concession activities is critical. Guide sweeps the pristine sand surface after it has been stepped on by concessionaire clients on the Skeleton Coast.

(Below) Visitors appreciate knowing that their experience will benefit conservation and not adversely impact the area they have come to visit. Photo: Dana Allen, Wilderness Safaris





(Above) Milford Sound in Fiordland National Park, New Zealand is the country's most iconic tourism destination. Many concessionaires fly into the airstrip bringing visitors. Coaches arrive, infrastructure and accommodation facilities are provided and boats depart offering a range of cruise options. All of this needs careful planning and investment so the environment remains protected and a quality visitor experience can be enjoyed.

(Below) New Zealand, a short helicopter flight allows Franz Josef Glacier Guides to access the glacier and take visitors on a guided walk through the icy terrain. Photo: Ngai Tahu Tourism



Introduction

This chapter presents a number of allocation tools that protected area agencies can use to award concessions. Each process has different strengths and weaknesses and will help managers and staff to achieve different outcomes. The critical point in this chapter is that the agencies and the laws, policies and the procedures they administer should provide for the use of as many of these tools as possible. It is also important that managers resource this area of work with enough capable staff to ensure that business opportunities can be awarded and businesses can invest to create jobs and provide income back to the protected area agency. The level and quality of business investment in concessions will directly reflect the level and quality of resources that protected area agencies put into their concession functions.

Key messages

1. A range of allocation tools and mechanisms can be used to award concession opportunities. Some protected area agencies predominantly use a tendering process, while others accept and process applications. Expressions of interest, direct awards and even auctions are used, each of which has its own strengths and weaknesses. The mechanism used should suit the situation and the outcomes sought for the agency and from each concession opportunity.
2. Allocation and consideration processes for concession opportunities must be based on sound legal principles and clearly stated criteria. They need to be documented and legally verified and must also be clear, transparent and publicly available.
3. Investment, ideas, intellectual property and innovation from the private sector should be encouraged.
4. The general public and the private sector must have confidence and trust in the protected area agency's concession processes, or investment will be severely constrained.
5. Auctions and tenders have a number of useful features. As well as helping to get the best price, they can also be used to allocate rights fairly and equitably when demand exceeds supply, and to lift overall performance of operators.
6. When scarcity or limits exist or when a new market is created, additional value may be generated for the business sector. Protected area staff need to recognize when such situations arise so that they can capitalize on them, ensuring they are not undervalued and awarded too cheaply.

Discussion

Six principles of good process

Before allocation mechanisms are considered, it is important to understand that there are six broad principles that stand behind all resource allocation processes and that these must be addressed when designing any concession allocation mechanism. Protected area agencies can assess their current practices against these principles, which are described below.

1. **Well defined, transparent and consistent processes** such as accepting applications or tendering opportunities need to be in place in protected area agencies before any interactions with commercial interests occur. This will ensure that all parties are treated fairly and consistently. Processes should be reviewed by government lawyers during their development to ensure they comply with all legal requirements. All process participants must be treated equally, especially if there is competition between participants. Details of processes and their timeframes must be publicly available so that participants can be fully informed and able to develop a clear understanding of how they work. Agencies must also have training, documentation and funding in place to enable staff to competently apply the processes developed.
2. **Explicit, clear and transparent criteria** that are consistent with legal, policy or best practice requirements must be applied when making decisions on matters with significant commercial implications. These criteria and the process

to be followed should be documented and available to all interested parties. Decision-making or evaluative factors must also be transparent (including indications of weightings given to any criteria) and documented, and it may be appropriate to explain the reasoning behind the criteria and rating definitions. Many protected area agencies actually provide this information on their websites.

3. **Decision-makers must be identifiable and independent** from the process. They should ensure that the reasons for decisions are set out, and linked to any evaluative criteria and legal requirements. Participants should be debriefed on their bid or application if they so request. For protected area agencies, this will ideally mean that concession staff will manage any process and make a recommendation to a decision maker on whether the concession should be awarded. The decision maker should consider all the relevant matters before accepting or rejecting the concession recommendation.
4. **Conflicts of interest need to be avoided.** Protected area agencies should have clear, effective and robust processes in place for identifying and avoiding conflicts of interest. Staff and decision makers should not be permitted to own or hold concession rights or shares in a company that holds concessions, or accept gifts, political contributions or bribes. Any involvement by these parties in concession activities immediately creates a situation where a conflict of interest is perceived.
5. **Natural justice.** If the decision maker intends to decline or impose severe operating restrictions on a proposal, then the applicant should be informed of this and have the opportunity to comment. These comments should be considered by the decision maker as part of the decision-making process. If an application is declined, the applicant should have the right to seek some form of review from another decision maker if they believe they have been treated unreasonably or unfairly.

6. **Processing and decision-making separation.**

In support of principle four above, the processing and management of concession activities should be kept separate from decision making. Concession staff should process the applications, run tenders and make recommendations to the decision makers (usually senior managers) who hold the appropriate delegations for deciding whether a concession should be awarded. Senior managers have a wider conservation management perspective and can consider the concession in this context. This separation also protects concession staff from undue pressure from applicants. The same principles should apply to the collection of fees and revenue. Concession staff should ensure this is being done according to the contract, but the invoicing, receipt and banking of funds should be done by finance staff.

When is a concession required?

Deciding when a concession (either a licence, lease, easement or permit) is needed will depend on the policy or law governing concessions in each country. Most definitions of when a concession is needed focus on a) is it a tourism activity or a recreation activity, b) is it commercial and/or c) an occupation of the land. The legal definition of when a concession is required by the Department of Conservation in New Zealand is not restricted to just tourism-related activities.

In areas managed by the Department of Conservation, 'a concession' is the term used to describe a permit, licence, easement or lease that allows:

- Commercial activities e.g. the establishment of a retail or tourism business
- Organized non-profit activities e.g. running a sports event
- Occupation of land and building of structures e.g. grazing an area, right-of-way access, building bridges .

Box 5.1 describes the definition of a concession used by Australia's NSW National Parks and Wildlife Service.

³ <http://www.doc.govt.nz/about-doc/concessions-and-permits/concessions/about-concessions/what-is-a-concession> (accessed March 2013).

Box 5.1: NSW National Parks and Wildlife Service definition of a concession

The New South Wales National Parks and Wildlife Service (NSW NPWS) has an excellent operator handbook that provides a number of examples of when a concession is needed. The following examples are taken directly from this booklet⁴.

Example one: Complimentary park tours. Jade owns Kookaburra Lodge, an 'eco-retreat' providing food and accommodation for backpackers on a private farm adjacent to Watagans National Park. She offers her customers a complimentary tour of Watagans if they stay at Kookaburra Lodge for more than two nights. This offer is advertized in her brochure. Although the customers do not pay a separate fee for the tour into the park, Kookaburra Lodge must have a licence because the activity has a commercial purpose, occurs regularly, is planned and advertized for the purpose of making a profit and occurs in a NSW national park or reserve.

Example two: White Water Rides conducts rafting tours in the Nymboi-Bindaray National Park. Its core product is 1–2-hour rafting trips. The company often receives requests for all-day or overnight rafting tours. White Water Rides would like to keep its core business as 1–2-hour trips and has encouraged one of its guides to develop a new product incorporating the requested longer activities. A new company, Rafting Odyssey, would conduct the activities using White Water Rides' equipment and guides. Both White Water Rides and Rafting Odyssey must be licensed, as both are conducting commercial activities in a NSW national park or reserve.

Example three: Free Spirits Pty Ltd Surfing Swells and Backpackers' Expeditions are separate companies that operate under their individual names in Bundjalung National Park. For marketing purposes, a decision has been made to combine the two companies under one umbrella brand—Free Spirits Pty Ltd. Both businesses still conduct their own individual activities. Both Surfing Swells and Backpackers' Expeditions must have a licence. Free Spirits Pty Ltd does not require a licence as it is a booking agent rather than an 'on the ground' activity provider.

Example four: Fitness Forever Rob is a personal trainer with a business called Fitness Forever and regularly takes individual clients and groups of clients into the Sydney Harbour National Park for fitness training sessions. He receives an hourly fee for these sessions. Rob is carrying out a commercial activity and will need to be licensed as a commercial fitness trainer.

If the activity is clearly commercial or an occupation of land, then it will require a concession. With some activities, it is may difficult to determine whether a concession is needed. Many education activities are commercial—such as a company that takes paying students on an overseas study tour, or school groups using the services of a regular guiding concessionaire—so these should all require a concession. In other cases, schools will be undertaking camps or approved courses that are funded by the government. Applying a concession policy in these cases will be seen as an impediment to school groups participating in outdoor activities.

Decision-making criteria

Table 5.1 highlights some of the different criteria protected area agencies consider before awarding a concession. Whether a concession being considered arrived through an application or a tender process, the criteria for granting or declining it should always be stated openly and transparently. Common criteria seem to be based around the following considerations:

1. Whether the proposal is suited to the protected area and is in keeping with the reason why the area is protected and managed, as specified in its management plan. For example, boat

⁴ Parks Ecopass, NSW Commercial Recreation and Tour Operator Licensing System, Information Booklet (2012) New South Wales National Parks and Wildlife Service.

transport in a wilderness area is unlikely to be approved, but an application for the same activity in an amenity or front country area may be fine.

2. The effects or impacts of the activity on the ecology and environment, other recreation activities, landscapes, cultural aspects and

whether the effects can be avoided, remedied or mitigated.

3. The applicant’s ability to carry out the activity in an acceptable and safe manner, including their previous record and their financial position.
4. The ability of the applicant to present or interpret the protected area to visitors.

Table 5.1: Examples of decision-making criteria.

National Parks Service, USA	Great Barrier Reef Marine Park Authority, Australia
<p>Principle selection factors</p> <ol style="list-style-type: none"> 1. The responsiveness of the proposal to the objectives, as described in the prospectus, of protecting, conserving, and preserving resources of the park area. 2. The responsiveness of the proposal to the objectives, as described in the prospectus, of providing necessary and appropriate visitor services at reasonable rates. 3. The experience and related background of the offeror, including the past performance and expertise of the offeror in providing the same and similar visitor services as those to be provided under the concession contract. 4. The financial capability of the offeror to carry out its proposal. 5. Franchise fee and other forms of financial consideration. (This factor is subservient in weight to the prior four selection factors.) 	<ol style="list-style-type: none"> 1. The objective of the Marine Park zone to which access is required. 2. The conservation of the natural resources of the Marine Park. 3. The need to protect the cultural and heritage values held in relation to the Marine Park by traditional owners and other people. 4. The likely effect of granting permission on future options for the Marine Park. 5. The nature and scale of the proposed use in relation to the existing use and amenity, and the future or desired use and amenity of the relevant area and of nearby areas. 6. The likely effects of the proposed use on adjoining and adjacent areas, and any possible effects of the proposed use on the environment and the adequacy of safeguards for the environment. 7. The means of transport for entry into, use within, or departure from the designated area and the adequacy for aircraft or vessel mooring, landing, take off, parking, loading and unloading. 8. In relation to any structure, landing area, farming facility, vessel or work to which the proposal relates: <ul style="list-style-type: none"> • The health and safety aspects involved in relation to any structure, landing area, farming facility, vessel or work to which the proposal relates, including the adequacy of construction; and • The arrangements for removal upon the expiration of the permission of the structure, landing area, farming facility or vessel or any other thing that is built, assembled, constructed or fixed in a position as a result of that use.
<p>Secondary selection factors</p> <ol style="list-style-type: none"> 1. The quality of an offeror’s proposal to conduct its operations in a manner that furthers the protection, conservation, and preservation of the park area and other resources through environmental management programs and activities including, without limitation: energy conservation, waste reduction, and recycling. (If contract is < \$100k, this is an optional factor; if it is > \$100k, then it is required.) 2. Specific to the Park (if needed). 3. Specific to the Park (if needed). 	<ol style="list-style-type: none"> 9. The arrangements for making good any damage caused to the Marine Park by the proposed activity. 10. Any other requirements for ensuring the orderly and proper management of the Marine Park. 11. Any charge, collected amount or penalty amount that is overdue for payment by the applicant as the holder of a chargeable permission (whether or not the permission is in force) that is overdue for payment.

	<p>12. Any late payment penalty that is payable by the applicant as the holder of a chargeable permission (whether or not the permission is in force).</p> <p>13. If the application relates to an undeveloped project –the cost of which will be large –the capacity of the applicant to satisfactorily develop the project.</p>
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Concession allocation processes

There are a number of methods that a protected area agency can use to consider and award concession opportunities. These range from accepting applications through to direct awards, expressions of interest, tenders and even auctions. The methods applied, their steps and respective strengths are outlined in this section. Running these processes for new applications or renewals of existing concessions generally makes up the bulk of the work of protected area concession staff. Many well-established concession systems often use only one or two of the possible allocation mechanisms. However, the ideal situation is for a protected area agency to be able to use all of the methods available and use the best processes for the situation and outcomes sought. In this regard, the Namibian Tourism and Wildlife Concessions Policy provides an example of a forward-thinking

strategy which will be more closely examined later in this section.

There is no ‘one size fits all’ process. The process needs to match the size, impacts and risk of the activities being considered. For example, if a protected area agency accepts and processes applications, the process to consider an application for a major development (such as a hotel lease) in a protected area should be very robust and may involve the public. This will be very different from the process used for considering and awarding a permit for a guided walking tour which can and should be a much shorter and less-involved process. It is for this reason that many agencies have a range of legal mechanisms that can be used to issue a concession and the process for considering these applications generally matches the type of concession to be issued. Some examples of different types of concession and how they are processed are outlined in Table 5.2 below.

Table 5.2: Concession types and processes, using the New Zealand Department of Conservation approach as an example.

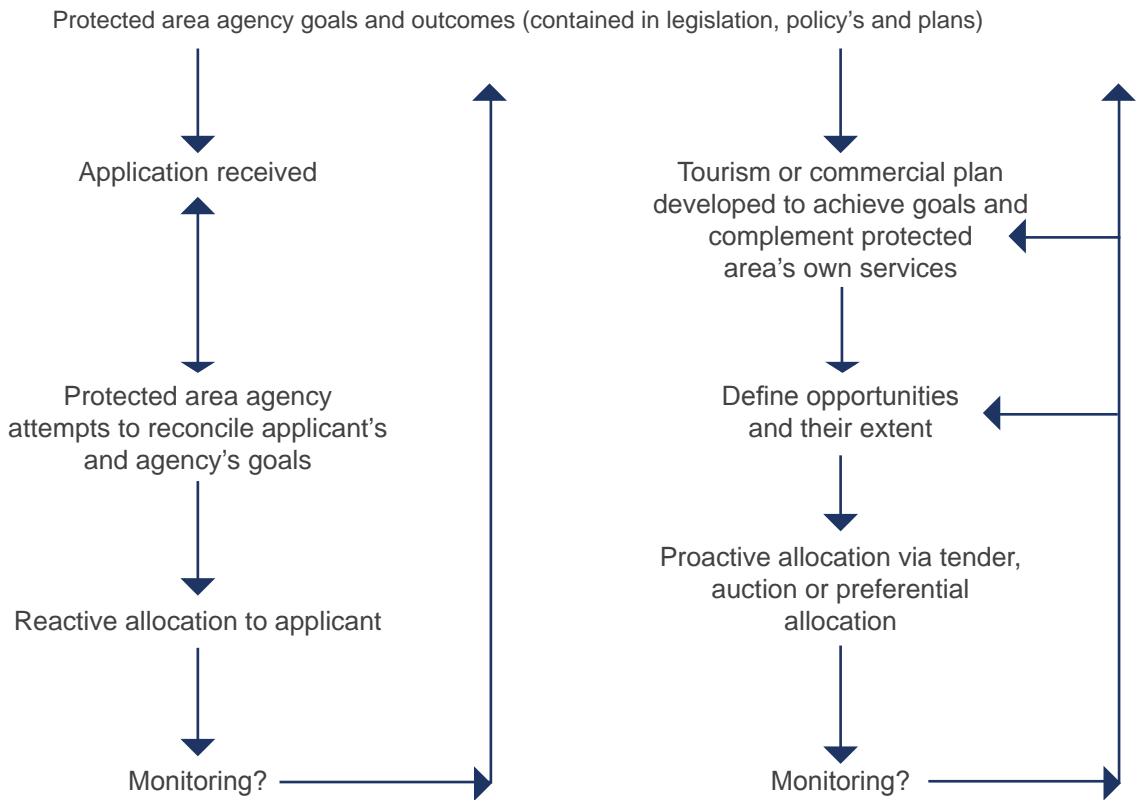
Concession type	Description	Process	Examples
Permit	Granted up to 10 years, activity-based	Generally non-notified, 5–45 working days for simple applications (up to 65 working days for complex)	Guiding—including walking, tramping, climbing, hunting, fishing, biking, kayaking and canoeing
Licence	Granted up to 10 years non-notified, or 30 years notified ⁵	Either the non-notified approach or the notified approach (see below) applies	Skifield activities (including buildings and use of the land), cropping, grazing, weather stations
Lease	Granted up to 30 years, involves exclusive or non-exclusive use of an area of land	Notified, 85 working days if no submissions received (up to 140 working days if submissions have been received but no hearing will be held, or 160 working days if submissions have been received and a hearing will be held)	Fixed structures such as hotel buildings, airports, cafes, bungee jumping structures, telecommunications facilities
Easement	Up to 30 years for services or access	Can be notified or non-notified	Roadways, pipelines, water pipes, telecommunications lines

Concession allocation can generally be divided into two categories (Figure 5.1):

1. Those arising from demand- or market-driven application processes
2. Those arising from supply- or conservation-driven public offerings

A prospective concessionaire lodging an application for a self-identified activity is an example of a demand-driven application. While allowing demand-driven applications for activities in a protected area tends to foster innovation and investment, some proposals put forward by applicants may not be well aligned to what the protected area agency

Figure 5.1: Details of demand- and supply-driven concession processes.



wants. Therefore, there has to be some form of reconciliation between the proposed activity and the purpose and values of the protected area. This is generally not a big issue for small concession applications, but large-scale applications can be very hard to plan for and evaluate and can even result in additional processes being invoked, such as a review of the protected area management plan.

Supply- or conservation-driven public offerings (such as expressions of interest, tenders or

auctions) occur when a protected area agency identifies a business opportunity and offers this via a process to the public. These processes allow the agency to determine what is suitable for its purposes; however, the agency must do its due diligence to ensure the opportunity offers an operator a fair opportunity for a profit. If a protected area has a clear idea of what can be undertaken in its area, supply-driven processes are good for encouraging higher levels of performance and allowing the agency to get a true market-related return for the business opportunity provided.

Publicly offering business opportunities is also the best way of allocating rights when demand exceeds supply, so if a protected area agency finds itself in a situation it wants to control commercialization or where it believes too much commercialization is occurring, then these mechanisms can be introduced (see later for more on this).

Protected area agencies need to be careful with public offering processes and to not overly focus on certain types of concessions. For example, it may be easy to focus on lodges, but then the protected area will end up with a concession portfolio comprising only lodges. A range of concessions is needed to get people engaged with and learning about conservation and the outdoors. Activities such as guided walking, filming, aircraft landings, guided 4x4 or kayaking tours are the activities that draw people into a protected area and allow them to interact with nature, while lodges can operate just as well outside the area as within it. A diverse concession portfolio focusing on both activities and services will bring about robust concession portfolios within individual protected areas and across protected area networks.

Details of some commonly-used processes for considering and awarding concession opportunities are provided in Table 5.3.

Applications, tenders, requests for proposals, expressions of interest and auctions—what are the differences?

This section looks at the range of allocation mechanisms protected area agencies can use to allocate business opportunities. Many agencies tend to use one or other of these methods. For example, New Zealand's Department of Conservation favors application-based processes while the US National Parks Service tends to favor tenders. The best approach for a protected area agency is to develop the legislation, policies and practices that allow all of these tools to be used. Each method has its own uses and strengths. When understood and used effectively, the different allocation mechanisms can help agencies achieve great conservation and business outcomes while providing valuable visitor experiences that complement the protected area's own provision of recreation opportunities.

Direct or non competitive awards

Direct awards have been used in South Africa and Mozambique (refer to the case studies in Chapter Two) and they are a hallmark of the Namibian concession policy. This policy provides for identified and feasible concession opportunities to be awarded directly to local communities resident in or adjacent to protected areas. The rationale for this is that it is the people who live in and around a protected area that suffer the most from wildlife conflict and lost access to land and resources. These people will also have the most impact on the park and its values through grazing or wildlife poaching. Therefore, the direct award of a concession provides a valuable mechanism for community empowerment, stimulating local economic growth and support for conservation.

For a direct award to take place, there must be a representative, accountable and stable community institution that can enter into a contract on behalf of the community. The Namibian Ministry of Environment and Tourism (MET) awards the concession and then provides assistance and guidance to the community, helping people to decide if they want to run the business or seek a partner. If the latter course is chosen, then MET will help to tender the opportunity and negotiate a beneficial agreement with a joint venture partner, ensuring communities are not exploited in any sub-agreement or joint venture arrangement⁶. This process takes time, but the awarding of a head concession to a community and a subcontract to a joint venture tourism operator has considerable benefits including:

1. Helping to ensure the community gets a fair deal for the rights that have been awarded.
2. Enabling the community (with information and advice from MET) to make its own decision as to whether it wants to operate the concession itself, or wants to contract-in the expertise of a tourism operator.
3. Having the head concession allows the community to set conditions that will ensure
 - a) income from the sublease arrangement;
 - b) encourage secondary business opportunities, such as supplying firewood or linen washing services; and
 - c) ensure a proportion of staff are employed by the operator (with training). Over

⁵ In New Zealand, 'notified' means that the Department's intention to grant a concession must be advertised in local or national newspapers and the public have the right to make submissions and can request the right to talk about their submission at a hearing.

⁶ Policy on Tourism and Wildlife Concessions on State Land. Ministry of Environment and Tourism, Namibia, 2007.

Table 5.3: Common processes for considering and awarding concession opportunities.

Reactive demand-based application processes				
Direct award	One-off small concession process	Low impact, non-notified application process	High impact Notified application process	
<ol style="list-style-type: none"> 1. Concession opportunity identified 2. Concession unit staff describe the opportunity for a feasibility study 3. Assessment of opportunity in a feasibility study, including description, infrastructure requirements, social, cultural and environmental issues, financial and market assessment 4. Opportunity concept and options for its development discussed with community, community trained in standard terms and conditions 5. All relevant data summarized into a report, proposal evaluated and contract drafted, assessment made on whether opportunity qualifies for a direct award 6. Decision made on whether or not to directly award the concession 7. Concession offered to the community/applicant and options for developing the business confirmed 8. Community decides to develop the opportunity or enter into a joint venture agreement with a) an existing operator, b) through a tender 	<ol style="list-style-type: none"> 1. Concession applicant lodges application after briefing from concession unit staff 2. Application received by concession staff, file set up and logged into database, application audited for completeness 3. Application evaluated, short report prepared along with draft short contract 4. Decision-making 5. Concession finalized 	<ol style="list-style-type: none"> 1. Concession applicant lodges application after briefing from concession unit staff 2. Application received by concessions staff, file set up and logged into database, application audited for completeness 3. Further information on the application collected from technical and local staff 4. Application evaluated, including technical comments, in a report prepared for decision maker, along with draft contract 5. Decision-making 6. Concession agreement finalized, any outstanding costs and fees collected and monitoring arranged or application declined 	<ol style="list-style-type: none"> 1. Concession applicant lodges application after briefing from concession unit staff 2. Application received by concessions unit staff, file set up and logged into database, application audited for completeness 3. Plan for processing application and cost recovery details agreed to with applicant 4. Further information on the application collected from technical and local staff. Application reviewed to ensure it is complete 5. Concession application publicly notified, submissions received and hearings held 6. Any further research carried out 7. Application and submissions evaluated, report prepared 8. Decision-making 9. Concession agreement finalized, any outstanding costs and fees collected and monitoring and fee collecting arranged; or application declined 	
No application processing fee	Set application processing fee	Set application processing fee	Customized application processing fee	

Proactive supply-based public offers

Expressions of interest	Tender or request to submit proposals	Auctions
<ol style="list-style-type: none"> 1. Concession opportunity loosely identified by agency through a planning process or by operators 2. Concession unit describes the opportunity as best it can 3. Opportunity advertized 4. Applications evaluated against predetermined criteria 5. Qualifying applications selected for either <ol style="list-style-type: none"> a) direct negotiation with agency or b) open or closed tender 	<ol style="list-style-type: none"> 1. Concession opportunity identified by agency through a planning process or by operators 2. Concession unit staff describe the opportunity for a feasibility study 3. Assessment of opportunity in a feasibility study including description, infrastructure requirements, social, cultural and environmental issues, financial and market assessment 4. All relevant data summarized into a report, proposal evaluated and contract drafted 5. Decision made to tender 6. Tender drafted and advertized 7. Site visit with prospective tenderers carried out 8. Tenders submitted 9. Tenders opened and evaluated by panel against Agency criteria, report to final decision-maker identifying who the successful tenderer is 10. Contract offered to successful tenderer or decision made to cancel tender or re-tender 	<ol style="list-style-type: none"> 1. Concession opportunity identified by agency, through a planning process or by operators 2. Concession unit staff describe the opportunity for a feasibility study 3. Assessment of opportunity in a feasibility study including description, infrastructure requirements, social, cultural and environmental issues, financial and market assessment 4. All relevant data summarized into a report, proposal evaluated and contract drafted, pre-qualification criteria confirmed. 5. Rights to be allowed packaged into units, blocks or quota that are saleable in the auction process, prospectus drafted 6. Decision made to proceed with auction 7. Professional auctioneer contracted who reviews rights to be allocated and their packaging, and advises on best auction method and draft prospectus 8. Auction dates and prequalification criteria/ registration process and fee set. Prospectus advised and issued 9. Site visits with registered bidders carried out (if necessary) 10. Auction held, bidding determines fee(s) and successful concessionaire(s), if auction is successful 11. Concession contracts awarded, fees collected and monitoring arranged; or declining the application
Customized EOI application fee	Customized tender application fee	Customized auction application fee

time, this may allow the community or members of the community to build the capability required to manage the tourism businesses themselves⁷.

4. Working with an existing tourism operator, which helps to reduce the risk of the enterprise and ensure access to established client bases.
5. Where a community is also able to access capital and has been able to invest this in the concession, it can then attract a higher rate of return from the sub-concessionaire.

Care is needed with these arrangements and all parties need incentives to make them work.

Expectations need to be realistic, as these arrangements take time to set up and to manage on an ongoing basis. Few businesses can make money from start-up, so all parties need to actively work to make sure the business is a success. When these arrangements work well, they often provide a range of spectacular results for the business and the community. This is a far-sighted policy that grows the overall conservation effort in the country, benefits local and rural communities, allows for sound business investment and provides valuable visitor services in and around parks.

Case study: Direct award and request for proposals (RFP) process in Palmwag, Namibia⁸

1. Background

This case study summarizes the process and lessons learned from the tendering of community concessions inside the Palmwag concession area in northwestern Namibia. The Palmwag Concession covers an area of about 580,000 ha bordering the Skeleton Coast Park and may, in the future, become a core part of the proposed Kunene Park (forming a conservation corridor between Etosha National Park and the Skeleton Coast). The area is home to the world's largest population of free-ranging black rhinoceros outside of formal protected areas, and also has large populations of desert-dwelling elephants and lions, not to mention other predators and plains game. It is also an area of immense scenic beauty and vast landscapes that offer visitors a 'wilderness' experience that is virtually unsurpassed in southern Africa.

Namibian conservation legislation enables communities living on State land to form community-based organizations for taking responsibility over wildlife management in their area. Once formed, these 'conservancies' can be empowered with rights to utilize wildlife on their land and to acquire tourism concessions, including inside adjacent protected areas. The Palmwag concession area is bordered on three sides by conservancies (with the Skeleton Coast Park on the fourth side), meaning that there is a clear institutional foundation for collaboration between the concession area management authority and local communities.

2. Tourism planning in the Palmwag concession area

During 2008 and 2009, the Namibian government prepared a tourism development plan for the Palmwag concession area in consultation with the neighboring communities. They were assisted in this process by the Strengthening the Protected Area Network Programme (SPAN), as well as the Ford Foundation through the African Safari Lodge Foundation. The outcomes of this tourism planning were clear recommendations for restructuring the existing three tourism operations and development of several new business opportunities. Critical to this process was engaging local operators and communities living in and around the concession areas.

⁷ Note that while the aim of capacity building in the community is sound, businesses run by communities, rather than individuals, tend to be unsuccessful, so expectations around this outcome need to be realistic.

⁸ Case study prepared by Ed Humphrey, Programme Manager, Namibia National Parks Programme, Windhoek, Namibia.

3. Concession implementation

In light of the above recommendations, and in line with the Policy on Tourism and Wildlife Concessions on State Land (2007), on 20 July 2011 the Namibian government directly awarded head concession rights over the Palmwag concession area and its existing tourism operations to the three neighbouring conservancies (jointly), in recognition of their important role in setting aside this land for conservation and tourism purposes, and for managing the adjacent land in a complementary manner.

Under the terms of this agreement, the conservancies were permitted to enter into a concession operating contract with the incumbent operator. This was facilitated via an RFP process, in which the incumbent had to respond formally by way of a proposal containing their business plan, development and usage plans for the area, an empowerment plan and a financial offer to the conservancies. The incumbent's proposal was evaluated by the conservancies (with assistance and oversight provided by government and local NGOs), and a concession operating contract was subsequently signed on 21 August 2012. This RFP process, including the documentation used, has been recognized as best practice for enabling negotiations between concessioning authorities and incumbent operators in Namibia.

Under the terms of the above concession operator contract, an existing roadside lodge product was to be vacated by the incumbent and placed on open public tender for another private partner to renovate and operate under a separate concession operator contract. In this regard, a second RFP process was prepared and implemented by the conservancies, with help from government and NGOs. Following this process, four proposals were received and evaluated, and a preferred bidder was identified. A concession operator contract has been concluded with the preferred bidder. Again, the RFP process and documentation used has been recognized as best practice for public tendering of lodge concession opportunities in Namibia.

4. Outcomes and expected results

An important outcome of this process was the establishment of best-practice guidelines the structuring of concession contracts between the State, communities and private sector, including the development of tender document templates and procedures for community-private sector partnerships. Once the Palmwag concession is fully optimized, it is envisaged that its tourism projects will sustain around 88 direct permanent local jobs, with an annual wage bill of approximately N\$3.5 million. It is also estimated that around N\$2.7 million could be earned annually in concession fees. The concession fees will help communities to sustain conservation activities on land adjacent to Palmwag concession area, while the new jobs will play a significant role in reducing poverty in the area.

5. Important lessons learned

Through this investment procurement process, the following important lessons were learned:

- The importance of an overarching policy framework for tourism concessions in protected areas—without clear policy guidelines, implementing each new tourism project will require lengthy consultation and high-level decision-making.
- The need for an experienced, multi-disciplinary team (that includes tourism, ecological, financial and economic expertise) to help undertake tourism planning. This team must engage well with existing operators, the community and protected area staff.

- The importance of well-established, functional, representative local community-based institutions when granting concessions to communities. Without such institutions the award of concession contracts is not practical, and the private sector will not invest.
- The value of having approved template procurement documents for different types of concessions and tendering situations.
- It can be very useful for the park agency to contract in external transaction advice during the tendering of complex tourism concession projects.
- That concession systems require administrative personnel with diverse skill sets—including the ability to communicate effectively and professionally with various stakeholders, to understand business and the tourism industry, to interpret financial information, to manage concession fees, to manage contracts, to facilitate the inputs of different stakeholders during complicated concession processes, and to maintain accurate databases and files.



Successful tourism planning for the Palmwag area required a multi-disciplinary approach and time in the field to scope the tourism potential and ecological impacts

Applications

The main advantage of considering applications from the private sector is that the private sector takes responsibility for the idea, its viability and commercial success. Applicants develop and own the intellectual property around their ideas—something the private sector is generally very good at. Application processes work by a company or member of the public developing and describing a business proposition, completing a business

plan for it, identifying the impacts of the activity, proposing methods to avoid negative impacts and assessing the proposition against the outcomes specified in the protected area's management plan. The protected area agency receives the application, assesses it, consults internally and (in some cases) externally with the public or other stakeholder groups, and completes a report containing a recommendation to a decision maker. If the application is approved, a contract can then be issued.

In New Zealand, applications can be accepted for a concession permit for one day or a lease for 30 years, fees are benchmarked against what others are paying and if infrastructure is built the improvements are owned by the concessionaire. It is important that the agency has a number of application processes available to suit the size, scale, duration and potential impact of the proposed activity (as shown in Table 5.4).

If protected area agencies want to encourage innovation and investment, receiving applications allows people to put forward new, innovative ideas with confidence—knowing that the agency has to process the application on a first-come, first-served basis and that it cannot take the idea and tender it to the wider public. If, whenever a business proposition is raised, it has to be tendered, then the private sector has no incentive to engage with

Table 5.4: Examples of scalable application processes.

Application type and process	Details
One-off application processes	Issued for up to 3 months, processed by protected area agency concessions staff in less than 5 days. Short application form and contract. Useful for activities such as sporting events, weddings, irregular aircraft landings, small filming jobs, etc.
Low-impact activity concessions	Issued for 5–10 years, processed by agency concession staff. Larger, more-detailed application form and separate concession contract. For activities such as regular guided walks, 4x4 vehicle access, hunting, fishing, large filming jobs, rafting etc. Note that even without significant investment, 5 years may be insufficient time for a return on investment for some activities, especially if the customer base takes a while to build up.
Large-scale developments requiring a lease	Generally issued for 15–30 years depending on level of investment and return. Processed by agency concession staff. Public notification process and hearings may be required. For occupations such as ski areas, hotels, telecommunication facilities, bungee jumping facilities etc. Generally, it seems that anything less than 20 years is a major deterrent if there is significant capital investment.

protected area agencies and will simply invest their time, capital and ideas elsewhere. Another advantage of application-based approaches is that a protected area agency is likely to end up with a range of innovative concession activities to offer visitors. Undoubtedly, this range of opportunities will be well beyond what protected areas can provide directly, since the agencies that run them are good at conservation but rarely have the resources or skills to be business entrepreneurs.

By using application processes, a protected area agency will not have to invest in a lot of commercial business planning, market demand studies or financial feasibility testing. However, they will have to invest in running rigorous application processes to reject applications that are inconsistent with the aims and objectives of the protected area or

that will have a significant impact on the natural, landscape, cultural and visitor experience.

Care is also needed, because the first application submitted for a prime location may not necessarily provide the optimum use of the area, and if it goes ahead it may exclude other more appropriate developments. A tender or expressions of interest process is generally better at ‘drawing out’ the best ideas.

The downside of application processing is that it is more difficult to plan for activities when you do not know what applications for activities you may receive. Protected area management plans will be unable to determine what business proposals may be tabled and where or when. So, to enable protected area agencies to more readily cope with

incoming applications, specific policy provisions and broader zone-based outcome plans are needed, rather than prescriptive, activity-based planning. Application consideration processes need to be rigorous and public notification processes may be needed for larger proposals that may have significant impacts or generate increased public interest. With a public offering process (see below), the planning, environmental impact and feasibility assessments take place **before** the opportunity is offered. However, with applications, these issues are considered **after** the application is lodged. Another downside of the applications approach is that fees cannot be set through a competitive process. Again, this is not a big problem if an agency has other comparable activities that have been through competitive processes, as the fee formulas these generate can be applied to the new activity. However, if the agency has few benchmarks, then it is very difficult to determine what the best market fee should be (refer to Chapter Six).

Of course, even if an agency tenders all its larger-scale opportunities, application processes will generally always be allowed for smaller, everyday activities such as small guided walking operations, filming permits, small events and irregular aircraft landings.

An example of proactive planning and application processes combined

Many applications received by protected area concession staff are for similar, everyday activities such as commercial guided walking on established public walking tracks, low-impact guided hunting excursions or guided fishing and mountain bike tours. Sometimes, the level of staff involvement required to support the approval of these activities can be onerous for an agency. The Department of Conservation in New Zealand developed its 'conforming application process' to address this situation. An on-line application system was developed and, provided the applicant applies to use the specified tracks and adheres to the conditions listed (such as party size and frequency of visits), then the application will be approved and the concession issued within five working days. The key to the successful management of this process is good management of the walking tracks available

on the list. The conditions set for each track are based on the Recreation Opportunity Spectrum (see Chapter Three), ensuring that the concession activities that can take place on it are aligned with the recreation opportunities provided to the general public. If the track is already over-crowded, then it is not put on the list of tracks available. Likewise, if a track becomes overcrowded, then it can be removed from the schedule of conforming tracks so that the Department can examine applications and management options in greater detail. Previously, all concession applications were arduously debated, track-by-track and application-by-application and this had the effect of drawing out application processing and escalating costs. Now managers are able to be more strategic in their management of guiding opportunities and tracks. This system enables applications to be processed quickly and cheaply and gives the protected area agency the opportunity to promote its more under-utilized tracks⁹. If an agency runs application concession processes, then this example shows how proactive planning and application processing can be combined to achieve a better result for the agency and the concession applicant.

Handy hints for applications

If at all possible, concession staff should meet applicants before they lodge their application (see Box 5.1). Forming a good relationship with an applicant is the key to a successful concession process (whether or not the particular application is approved). If the applicant is proposing an activity that is clearly detrimental and inconsistent with the protected area's purpose, then before the application is lodged is the best time to let the applicant know that the chances of the application being successful are slight (as the following comment highlights):

"I have had applicants wanting to run hovercraft operations on wetlands that were internationally recognised as rare bird breeding and migratory sites and another applicant that wanted to use motorised scooters on a renowned 3-day walk in an exceptionally scenic national park. When I pointed out the very high conservation values in these areas and discussed how the proposal would significantly impact on them, the proponent was able to see that investing time

⁹ Refer to <http://www.doc.govt.nz/about-doc/concessions-and-permits/concessions/applying-for-a-concession/apply/apply-for-a-conforming-concession/apply-online>
Pers. comm. Gemma Sigglekow, Permissions Advisor, Department of Conservation, Christchurch, New Zealand (August 2013).

Box 5.1: Hints for pre-application briefings to applicants

To build relationships with concessionaires and ensure that a high-quality application is received, the protected area agency should offer a free pre-application meeting to discuss the viability and feasibility of the proposal with the applicant. This is also a good opportunity to brief the applicant on:

1. The need for a concession and the benefits of obtaining one.
2. Whether the proposed activity is likely to be inconsistent with the protected area legislation, policies and plans.
3. The need for an appropriately detailed environmental impact assessment (EIA). The agency should help the applicant scope the potential effects of the activity. This should include giving the applicant details of any areas of known importance to indigenous people so the applicant can consult and consider any cultural impact from their proposed activity, as part of the EIA.
4. Whether the application is likely to be high- or low-impact and the type of concession that is likely to be required, including the application process, timeframes and decision-making criteria (this helps justify the costs).
5. The possible need for further information at any stage.
6. The non-refundable cost-recovery charges for processing the application and likely concession fees that will be charged if the application is successful.
7. The need for an independent auditor's approval of the operation's safety plan prior to the commencement of the operation (if approved).*
8. The need for operators to describe how they will present the protected area to visitors.
9. How they could contribute to the empowerment of local people living in or around the protected area, including employment and training of staff and secondary employment opportunities.
10. The need for a business case detailing the capital investment costs, operating costs and revenue projections across the first five years of operation.**

And remember:

11. Avoid doing the applicant's job for them.
12. Don't make commitments about decisions that may or may not be made.

* Not all protected area agencies require an audited safety plan. Agencies must ensure that operations are safe for visitors, but are generally in no position to judge whether this is the case or not, so independent audits of safety plans can be undertaken by experts for activities that are not otherwise covered by government or industry standards.

** Few protected area agencies require a business plan from an operator (except in tender situations), mostly because agency concession staff do not have the skills to determine whether or not plans are accurate and viable. Only request information if it is relevant and the agency can and will use it.

and money making an application was not going to be worthwhile. This also saved us the time and cost of dealing with applications that were clearly going to be declined. It takes a relatively experienced concessions staff member to deal with these situations.”

Do not process applications that are incomplete or contain insufficient information. There are three common aspects to any concession application (who, what and where) and these must be described fully in any application. Protected area agency application forms and website material should assist and prompt applicants to supply the above information. The amount of information required also needs to reflect the size and scale of the activity. For example, for guiding or boating activities, a simple, short application form may be

sufficient; however, the information for a large-scale hotel development or other significant infrastructure may require a separate EIA that is then independently audited.

Ultimately, the protected area agency needs enough information to consider the application and there is little point in wasting the agency's time and the applicant's money if the application is incomplete. Therefore, when an application is first received it should be checked carefully. If there is information missing, then it should be referred back to the applicant for further work (Box 5.2).

Figure 5.2 outlines the application process for concessionaires in New South Wales National Parks and Wildlife Service protected areas¹¹ in Australia. This process would suit applications for

Box 5.2: Application checklist for applicants and protected area concession staff

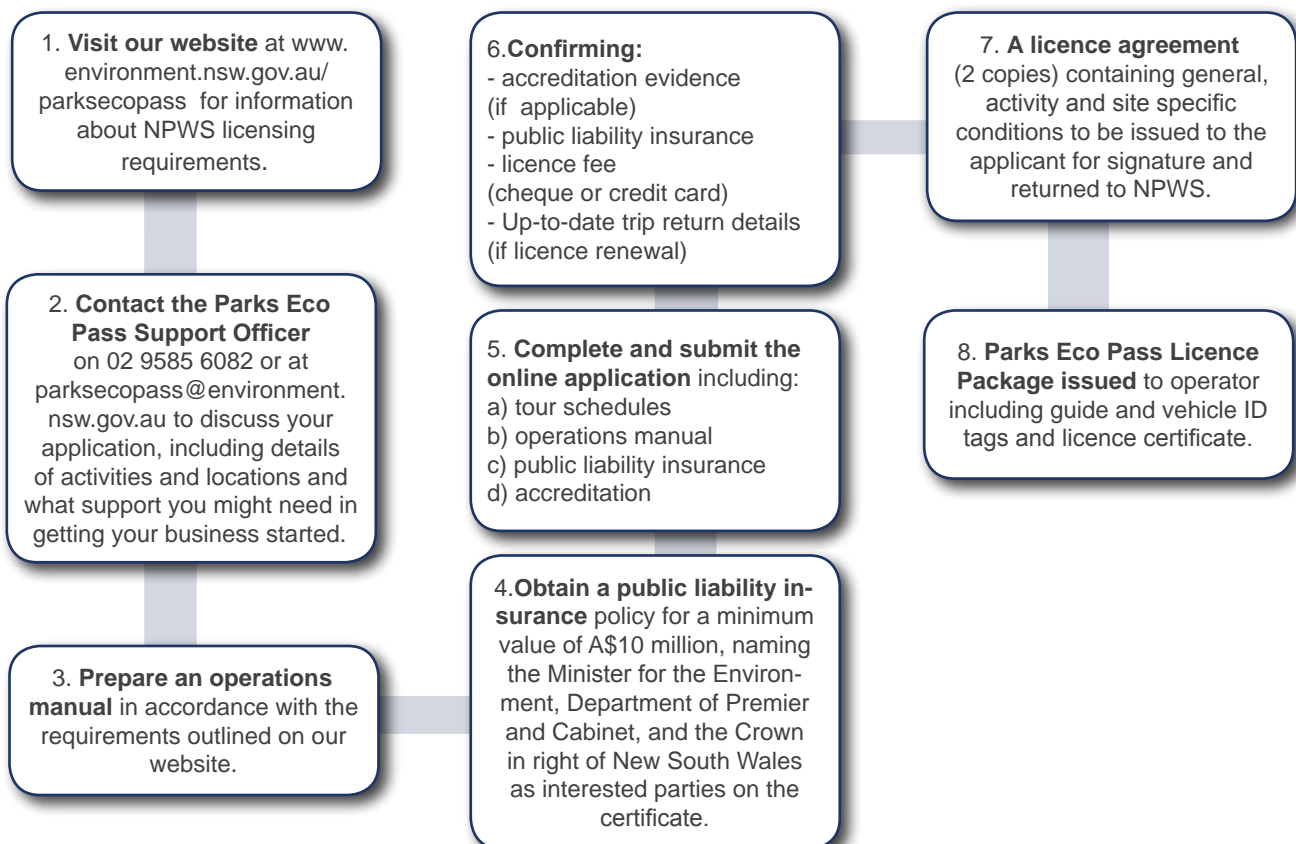
An application checklist should address the following issues:

1. Who is the applicant?
 - Is it an individual, partnership company or corporation? Who are the company directors or who has the controlling interest?
 - Is the company just a holding company seeking to obtain the commercial rights and then on-sell them or is it a genuine operator?
2. What is the activity proposed?
 - Is the proposal for an activity only or does it involve significant infrastructure?
 - Over what months will it operate? What is the duration and frequency of visits? What are the party sizes? For stock, what is the type and stocking rate?
3. Where will the concession operate? Is it on land managed by the protected area agency and what is the status of that land (in the past, concessions have been issued over land when they should not have been).
 - What is the extent of the location applied for and are maps needed?
 - Are there alternative locations where the impact would be less or could the operation (or part of it, especially buildings) be located outside or on the edge of the protected area?
4. Some agencies require applicants to identify the impacts of their activities and propose measures to avoid or reduce these effects. If this is the case, then applicants should also:
 - Identify the reasonable and foreseeable actual and potential effects.
 - Propose measures to avoid, remedy or mitigate each effect. Will these reduce the impact to below acceptable levels (i.e. so the effect is no longer significant)?
 - Consider alternative locations, timing of the activity or design the proposed activity to have less

impact. (Note that considering alternative locations for structures outside of protected areas is a legislative requirement in some countries.)

- Propose a monitoring programme to measure significant or unknown impacts and be prepared to alter the activity if the monitoring shows that the effect will still be significant.
5. Any other information that may be important to your local situation. This may include:
- Interpretation material.
 - Empowerment information for local communities.
 - Insurance and liability information.
 - Financial information on the business proposal.
6. Using the above checklist, has the applicant supplied all of the information needed to consider the application? Should the application be:
- Accepted for processing, or
 - Sent back to the applicant with a letter explaining what further information is required.

Figure 5.2: The NSW National Parks and Wildlife Service (NPWS) concession ‘ecopass’ application process.



activities generally provided in a protected area management plan; however, it is not suitable for large-scale developments with potentially significant impacts or applications that involve the need for exclusive use of the land.

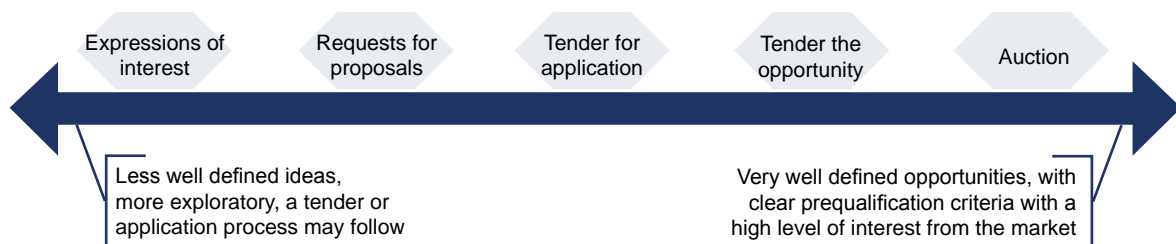
Public offering business opportunities

The term 'public offering' is used to cover a variety of different concession approaches operating on a continuum ranging from exercises that seek indicative proposals such as calls for Expressions of Interest (EOI) or Requests for Proposals (RFP), through to tightly defined tenders or auctions—

see Figure 5.3. At the point where demand for business activities exceeds the available supply, using applications becomes less and less effective and more-proactive approaches are needed. To address these issues, publicly offered processes are favoured by many protected area agencies and should be used:

- a) For new opportunities—where the protected area agency itself has identified a new opportunity or location that it wants to develop or when a new industry emerges.
- b) For conservation reasons—where, for either conservation, safety or visitor experience reasons, only one or a limited number of

Figure 5.3: The range of options for publicly offering business opportunities in protected areas.



opportunities will be available (e.g. caving or heliskiing).

- c) For more income—when the commercial value of the rights are unknown or likely to be valuable. In these cases, publicly offering the opportunity is more likely to result in a better return to the protected area agency.
- d) To manage cumulative effects—as business activities grow in both size and number in a particular part of a protected area, the cumulative impact of many business activities will become evident (crowding, rubbish, sewage disposal, impacts on landscape values, ecology and the visitor experience etc.). In these situations, further applications will just worsen the situation. However, it is difficult to decline individual applications because the impact of any one application, on its own, may only be slight, even though the cumulative impact can be disastrous. Moratoriums on new commercial opportunities can sometimes be put in place, but this is only effective over the short to medium

term. If doing what is best for a protected area means that there are a limited number of opportunities remaining, a public offering is a fairer way of allocating them to the private sector than just turning down applications. With this approach, as existing concessions expire, all renewals should be handled by way of a tender or auction.

- e) Improved performance—when a protected area agency wants to use market forces to encourage better performance from operators by rewarding those concessionaires who adopt better practices. Examples of improvements include better visitor experiences through interpretation, or reducing impacts through innovation and the adoption of new technology (e.g. quieter boats or aircraft), or even in working with local communities to create direct and secondary employment opportunities.
- f) When a concession has expired that was originally considered through an application process because it was, at the time, a new and

innovative idea, and the original operator has had a reasonable length of time to recoup a fair return on their investment

Expressions of Interest (EOI)

Where an opportunity is not well defined, and only indicative details are available from planning documents, an 'expressions of interest' (EOI) process is often used. In this process, the general description of the opportunity is outlined, applicants are invited to express their interest, describe their ideas and provide their credentials. It is a process that can be used to narrow down who should be

invited to tender. An expression of interest is not a formal tender process. From the list of applicants, an assessment can be made as to whether there are enough suitable potential concessionaires, business ideas and levels of interest to establish a) a further contestable process such as a closed tender; or b) whether the agency will be dealing with one potential concessionaire only. If there is more than one qualifying response to an EOI, a tender process will often follow. This process is good for gauging levels of interest, understanding the skills of applicants and testing ideas in the market place. However, it can be a long process, especially if a tender has to be run after the EOI.

Case study: Naturebank (Western Australia)¹²

Background

Naturebank is a Western Australian government initiative designed to encourage the development of quality environmentally sensitive tourist accommodation experiences in the State's national parks. It recognises that the challenge in developing ecotourism experiences in remote areas sometimes limits their capacity to attract investors. The program offers experienced developers opportunities to create exceptional new ecotourism experiences providing visitors with an appreciation of the natural and cultural values of the park. Naturebank provides planning and infrastructure support to reduce the risk for developers. Developments are subject to a negotiated lease that provides for environmental, social and financial outcomes for both the operator and the park.

Naturebank works by identifying potential sites in selected national parks and undertaking the pre-release development clearances required to present them to the market as a commercial opportunity. As might be expected sites are subject to a rigorous clearance process and will not be progressed unless they meet strict environmental and cultural requirements. Pre-release development clearances vary from site to site and can include:

- rare and endangered fauna and flora studies.
- Aboriginal heritage assessments (Aboriginal cultural clearances)
- groundwater studies
- access alignments
- viability assessment
- visitor experiences study
- Identify potential development envelope.

Clearances also entail addressing park management planning requirements, site access, infrastructure needs and consultation with the host community and traditional owners. A key requirement of any Naturebank project is that it provides benefits to the local community, particularly the traditional

¹² Case study Prepared by Jim Sargent, Commercial Business Co-ordinator, Policy and Tourism Branch, Department of Parks and Wildlife, WA, Australia.

owners. Benefits can include sole development rights, equity partnerships and/or employment and training opportunities for community members.

Naturebank is not about cutting corners in the planning process; rather, it is about Government ensuring that the site proposed for development has all the appropriate environmental and cultural clearances so that as much information as possible about it is available before it is released.

The release process

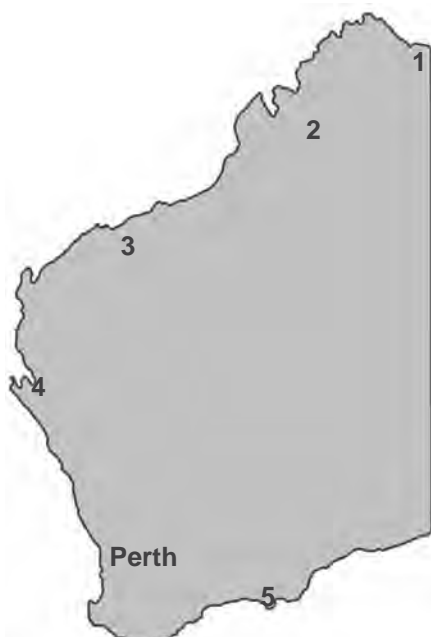
Naturebank opportunities are released by a publicly advertized competitive process. Expressions of Interest are invited from private sector developers who must employ a business model that embraces responsible tourism practices and demonstrates a commitment to the environment and Aboriginal culture.

Proposals are evaluated, and those that qualify are invited to submit a full development proposal. The successful proponent will be offered a performance-based lease with social and environmental key performance indicators that reflect the values of the area.

Currently, there is provision for parks to offer 21-year leases with options for up to a further 21 years. The lease is determined on the level of investment and the length of time that might be expected to provide the investor with a return on that investment and how the project will provide environmental and social outcomes.

The Western Australian Government has approved amending legislation to allow for leases of up to 99 years.

Figure 5.4: Naturebank sites in Western Australia



1. Ngamoowalem Conservation Park, East Kimberley
2. Windjana Gorge National Park, West Kimberley
3. Millstream Chichester National Park, Pilbara
4. Francois Peron National Park, Shark Bay World Heritage area
5. Cape Le Grand National Park, Southern coast.

Three sites have been processed and are now fully operational in Purnululu National Park and King Leopold Ranges Conservation Park in the north of the state and in the Bramley National Park in the south.

Naturebank is jointly managed and funded through a partnership between Tourism Western Australia (Tourism WA – the state government's tourism agency) and the Department of Environment and Conservation (DEC). Tourism WA provides marketing and investment attraction expertise while DEC oversees the site clearance and EOI process. Currently, the Naturebank programme has five sites located throughout the state in various stages of the assessment process (Fig. 5.4).

Example: Francois Peron National Park, Shark Bay World Heritage Area.

Location

Shark Bay is located some 830 miles north of Perth and comprises 1,500km of coastline with numerous islands, 2 large shallow embayment's and a hinterland of 25,000km². The key features of the area include the Francois Peron National Park, Shark Bay Marine Park, the Zuytdorp Cliffs, Dirk Hartog Island National Park, Shell Beach Conservation Park and Hamelin Pool Marine Nature Reserve.

In 1991 the Shark Bay World Heritage Area was inscribed on the UNESCO World Heritage list.

Francois Peron covers 52,500ha of arid scrublands, rolling sand plains and spectacular scenery that is only accessible by 4WD. Its features include a scenic coastline with dramatic contrasts of red cliffs, turquoise blue water and white beaches. From the cliffs of Francois Peron, visitors may see bottlenose dolphins, dugongs, green and loggerhead turtles and large manta rays.



Figure 5.5: The Francis Peron Naturebank site is to the right of gully line.
 Photo: Department of Parks and Wildlife.

Site Assessment

After assessing a number of locations within the François Peron National Park a potential site was identified on the east coast of the park between Guichenault Point and Cape Rose. The site has commanding ocean and coastal views, and is adjacent to the Shark Bay Marine Park and is part of the Shark Bay World Heritage Area. Shark Bay is one of three World Heritage areas in Western Australia and satisfied all four of the natural criteria required for World Heritage listing – natural beauty; biological diversity; ecological processes; and earth's history. Shark Bay already has a high level tourism profile and the Naturebank development will provide visitors with opportunities to experience the outstanding natural and cultural values of the park in a remote location. Naturebank does not compete with existing facilities in the park but aims to appeal to a different market segment that traditionally will pay a higher premium for a premium experience.

Site assessments and clearances that have been undertaken to prepare the site for release include:

- Aboriginal cultural survey;
- Rare and endangered flora and fauna assessments;
- Hydrology and landform assessment;
- Potable water study; and
- Landscape architects report.

Other clearances undertaken have included a feature survey to delineate the boundaries of the building envelope, an assessment of any visual impact, a geotechnical report on the stability of the site and a preliminary look at the access track to the site. In addition consultation has taken place with the traditional owners and the Shire of Shark Bay. There have been no issues identified that would inhibit or derail the project.



Figure 5.6: Naturebank site. Top left hand corner of photo, to the right of the track. Photo: Department of Parks and Wildlife.

The Francois Peron Naturebank site has been publicly advertised via an open and competitive expression of interest (EOI). The process was held in two stages with applicants required to outline their proposal in enough detail as to satisfy the assessment panel that what they were proposing was in keeping with environmental and social criteria outlined in the submission guidelines document.

Applicants were then assessed and those successful in stage one were invited to stage 2 – the Request for Proposal (RFP). Stage 2 required confirmation of their commitment outlined in the EOI



Figure 5.7: Bungle Bungle Wilderness Lodge, Purnululu National Park.
Photo: Australian Pacific Tours

proposal but in far more detail. Submission Guidelines can be viewed on the Parks and WildlifeDEC website, <http://parks.dpaw.wa.gov.au/for-business/commercial-opportunities>.

EOI expressions for the Francois Peron Naturebank site are currently being assessed by a panel comprising representatives from Parks and WildlifeDEC and Tourism Western Australia. The process is being monitored by an independent probity auditor to ensure transparency and fairness.

Negotiations with a potential proponent are continuing. In the event that the site is not taken up by the private sector from this process, and this is always a possibility given the current economic climate, it will be “banked” until such time the business environment improves and it can be released again. A number of successful naturebank sites have been developed including Kimberley Wild Expeditions upmarket tent accommodation at Kurrajong in the Purnululu National Park and the more recent Mt Hart Wilderness Lodge in the King Leopold Ranges in the Kimberley region of the state. In the south of the state Wharncliffe Mill Bush Retreat situated in the Bramley National Park and close to Margaret River was opened in 2012 and provides low cost bush camping and associated eco tours.

Strengths and Weaknesses Associated with the Naturebank Programme.

Undoubtedly the key strength of Naturebank is that it offers opportunities to establish environmentally and culturally sensitive ecotourism ventures near to some of the State's most popular and iconic natural tourist attractions.

Naturebank promotes world's best practice in terms of business operation and interpretation of the natural and cultural environment and will provide outstanding experiences for domestic and international visitors.

Naturebank provides the developer with a degree of confidence and certainty in that the site has been cleared both from an environmental sense as well as culturally and is basically ready to proceed. One of the challenges of Naturebank relates to how the site is selected. There is a view that the government selecting the site may not suit the needs of developers. The number of developers interested in or capable of developing a Naturebank ecotourism experience is limited and a site that meets the needs of one might not suit the requirements of another. It also has the potential to influence the open and competitive selection process. The government selects the site with input from Tourism WA and has in the past used independent tourism consultants, not aligned with any likely proponent, to provide further advice and guidance on the tourism values of the site.

Request for proposals (RFP)

An RFP process is used where an opportunity is reasonably well defined, but may have several potential variations or activities possible, and the agency managing the land wants to 'flush out' the different possible uses or activities within that opportunity, and decide which is the best of them. It is usual to set some parameters for the proposals being requested, such as the extent of the location.

Requests for proposals might be made when a protected area agency isn't sure of the specific detail it is after, or the best way to go about a project. Agencies identify the broad parameters of their requirements and then leave it to applicants to be innovative and imaginative and determine how they can best meet the specified requirements. This approach is a modified form of tender. Depending on the response received, the protected area agency can negotiate directly with an applicant.

This is a good process for obtaining and then comparing possible uses or development ideas and likely returns from a specific site or opportunity.

Tendering

Tendering is the public offering of the right to apply for a clearly defined concession opportunity, with all the parameters and details set out in the tender documents. Prospective bidders are simply asked to make proposals based on the tender documents. It is very much 'what you see is what you get'.

A tender can be run for either the right to apply for a concession (less valuable, as subsequent processing and approvals are required); or the actual concession opportunity, which is a more valuable proposition for any commercial operator. In general, the most common type of public offer is the tender process. In many cases, protected area staff have a good understanding of the concession opportunity that is being offered, and the tender process is the simplest, quickest and cheapest way to match demand for that activity with what can be supplied by the protected area agency.

Often the tender process transaction costs put off smaller operators and their lack of experience in tendering means that perfectly good proposals are rejected because of administrative non-compliance. Tender processes and complexity should be robust

but kept simple and easy enough for the average operator to participate in.

To run a successful tender process it is critical that the tender details, selection criteria and selection method are sent out in the tender document. The protected area agency is then bound to act only in accordance with those documents. No changes or departures can be introduced without a formal tender variation process. Problems that occur in tender processes in most cases are attributable to staff departing from the parameters of the tender documentation, often in an attempt to resolve difficulties in selecting one tender over another. If this occurs, it will result in a tender process that can be successfully reviewed by participants.

It is a common perception that tenders are about obtaining the highest dollar value for an opportunity and that the tender approach leads to only large operators being able to afford tendered opportunities. Tenders can, and should, include assessment of a range of aspects including the concessionaire's likely environmental performance,

ability to undertake the activity, contributions to conservation and how they propose to present protected area issues to their clients. For example, the operators that invest in the quietest boats or who utilize the most effective interpretation techniques may be the successful bidders.

The broad planning processes undertaken by protected area agencies often do not provide sufficient detail to identify specific concession opportunities that can then be tendered. For this reason, agencies such as Namibia's MET or the USNPS carry out dedicated commercial services planning processes (see Chapter Three). Adopting more proactive tender processes requires investment in identifying, planning, scoping and defining new opportunities rather than relying on applicants to do this. However, this investment should be worthwhile, since the expenses involved in running tenders can be recovered and the planning processes should be well and truly offset by the concession fees paid over time. The information that should be included in tender documents is summarized in Box 5.3.

Box 5.3: Details of what should be covered in tender documents

Introduction

Tender specification—this section should provide a detailed description of the opportunity, activities permitted and area, the terms and conditions of the concession, the degree of exclusivity, any restrictions on operations, and any safety and operating issues. This section provides potential applicants with the information on which they will base their tenders.

Tender process—this section sets out the rules and requirements of the tender process, and should include such things as informational requirements for tenders (e.g. reference to standard forms, costs, closing dates, tender expiry dates, addresses for communication).

Conditions of tender—this section sets out the legal issues relating to the tender process, and includes such things as the obligations and rights of the agency and the tenderer, how ambiguities will be dealt with, etc.

Tender information—this section sets out the items of information that the tenderer is expected to supply. These items or questions should reflect as exactly as possible the tender evaluation criteria (discussed below). It is important to seek items of information that reflect issues important to the concession opportunity, and items that will make it feasible to differentiate one tenderer from another.

Evaluation criteria—this is one of the most important sections of the tender document, and is the area that generally causes the most problems with concession tendering. The criteria must be set

before the tender is released, and these criteria must be included in the documentation.

Tender criteria should be concise and a clear. Some will be more important than others so a weighting system will be needed and this should also be set out in this section. A common method of setting criteria in the concessions area is to use a 'two-envelope' approach. The evaluation criteria are split into two types:

- 1) environmental and operating criteria, and 2) financial criteria (principally price). This is to ensure that the best possible environmental bid is selected and to avoid perceptions that winning bids are selected solely on price. Tenderers are requested to put their environmental and operating criteria responses in a 'first' envelope, and their financial information and price bid in a 'second' envelope. The first envelopes are opened first, and only those tenders that meet or exceed the set criteria go on to be considered by price. Note: care is needed when setting the criteria for price. If the evaluation is based on projections (e.g. a percent of turnover or bed night fee) rather than a fixed minimum fee there is a danger that the tender may be won by the least-realistic bidder.

Evaluation and selection method—this section should explain clearly how the assessment will occur, the details of the 'two-envelope' approach, if used, and what will happen if two bids are identical (usually a ballot is used).

Tender application forms—it is often helpful to supply, along with the tender documents, standardized tender application forms that contain, at the very least, the headings for the 'mandatory' pieces of information that you have specified as being required.

The draft concession contract—a copy of the contract that will awarded once the process is completed. This allows tenderers to view the terms and conditions that they will be expected to operate under. The contract can be presented as a 'draft' with the caveat that final terms and conditions will be negotiated with the successful tender.

Open versus closed tenders

There are two options for tendering a concession opportunity:¹³

1. An open tender, which is widely publicly notified.
2. A closed or restricted tender, where requests are sent to at least three pre-selected applicants. In the interests of transparency, most offering processes should be 'open', i.e. advertized publicly without restriction so that any interested party may apply. However, in some circumstances, particularly where it is known that there is a limited pool of prospective applicants, or where there has been a preliminary EOI or where the costs of an open offer will exceed the return, then a closed process may be run.

Handy hints for tenders

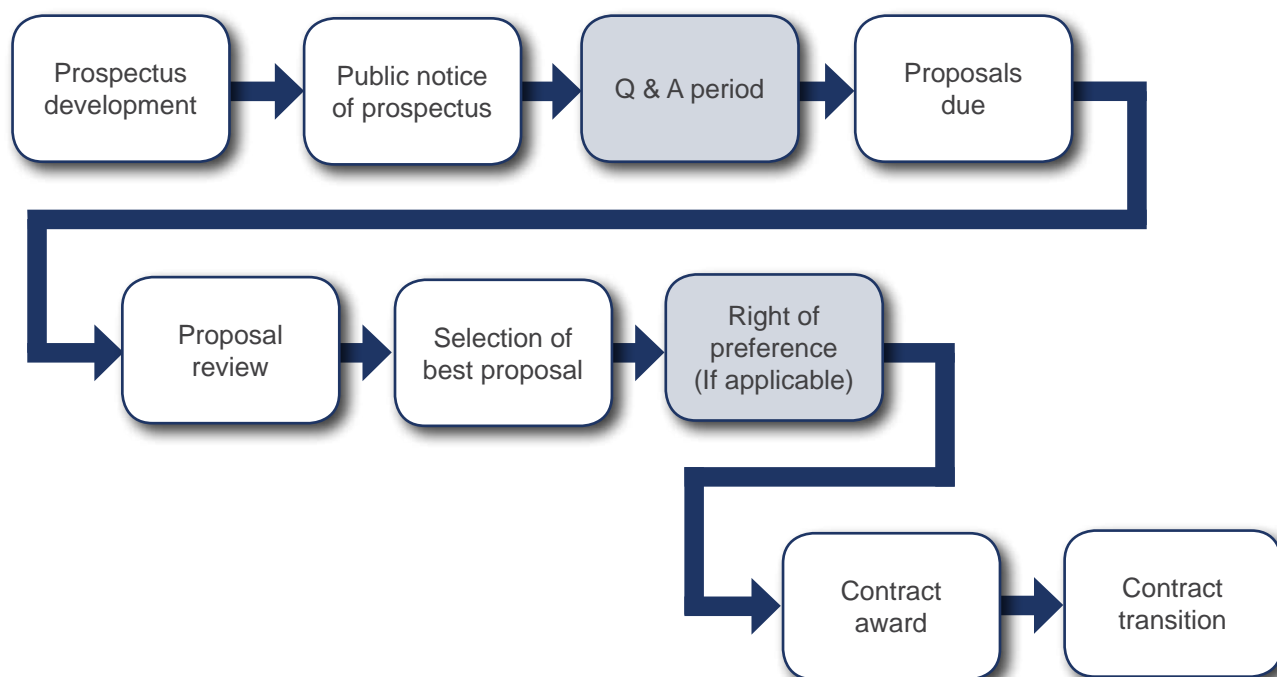
- Tender application fees should be based on

the cost of running the process divided by the estimated number of applicants.

- Communication with any applicant must be copied to all prospective applicants.
- The tender and the fact that the tender is coming up should be publicized to as many industry people as possible so they can take the time to prepare—analyzing the opportunity for themselves and organising their potential investment. Market surveys of existing operators to help determine the feasibility of the opportunity are a good way to 'prime' interest.
- Do not depart from the selection criteria and make sure the information asked for in the tender application forms and the tender criteria match.
- Make sure the tender conditions specify that no tags or qualifications are attached to the bids that alter what the applicant is tendering for—

¹³ Adapted from: Department of Conservation (2005) Practice notes, publicly offering the right to apply for concessions. Department of Conservation, New Zealand.

Figure 5.8: USNPS Contract solicitation and award process.



otherwise all other tenders will also have to be given this chance.

- Ensure the concessions contract attached to the tender documentation is the one that the successful tenderer will be expected to sign.

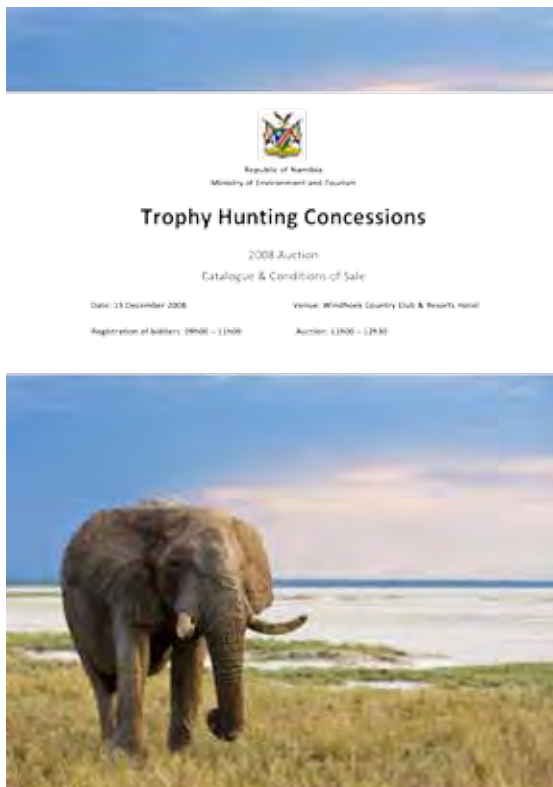
Figure 5.8 highlights the process used by the USNPS to develop and award business opportunities using a tender process. This process can apply to three categories of concessions: 1) where the operator builds a facility on protected area land, 2) where the operator is assigned land and operates in a government building and 3) where the concessionaire is not assigned land for a building.

Auctions

Auctions are another competitive process for awarding rights quickly, when demand exceeds supply or when the seller wants a true indication of what the market is willing to pay for the resource right.

Auctions can only work where there is very little variation in the technical component of the bid. Once bidders have passed a set of minimum requirements or prequalification criteria, this is no longer taken into account. It then comes down to who is willing to pay the most for the opportunity.

Most houses are sold via auction, especially when there is likely to be good competition over price, and protected area agencies should not be afraid of doing the same. The rights being auctioned must be pre-determined and very well defined. The advantage of auctions is that many packages of similar rights can be allocated to operators quickly, transparently and efficiently. While bidders may have to meet pre-qualification criteria, auctions are much more about allocating the resource right and obtaining the best price for it. There is no real room for innovation in an auction process; however, there is very good scope for competition over price. An example of an auction in Namibia is provided in Box 5.4.



Box 5.4: Trophy hunting concession auction

In Namibia, wildlife is abundant in some places and the trophy hunting market is valuable and competitive. Nine 5-year concessions for trophy hunting were identified over defined areas with a predetermined quota of animals. A recent auction raised double the expected income (approx. N\$13 million p.a.). Bidding was much more competitive than expected, even in a relatively depressed economic climate. Bidders in the auction had to meet a number of qualifications in order to participate, including being a qualified big game hunting guide. MET put together the nine concessions in a catalogue and contracted a private auction company to run the event. These valuable resource rights were allocated in a single morning.

Dealing with new markets and creating markets

There are times when new markets will be created. These can arise in a number of ways, such as in response to new trends in recreation (e.g. bungee jumping) or allowing a previously prohibited activity (e.g. helicopters being able to land); or even where there is demand for a particular activity and it takes the protected area agency time to plan for it. Trophy hunting in Namibia and heli-hunting (positioning hunters on the ground after the targeted animal has been located using a helicopter) in New Zealand are both examples of this.

The critical point here is that the protected area agency must be able to recognize when such markets are forming.

In other circumstances, protected area staff need to realize that when they limit a particular situation, often for very good conservation reasons, they are creating a restricted, 'exclusive' access opportunity.

Existing operators often like this situation; if limits are set at the current level of activity, then the protected area agency has effectively restricted new entrants and limited competition. This increases the value of existing businesses and the concessions they hold. This scarcity is very rarely capitalized on by protected area staff, since incumbents' concession rights are often renewed without alteration. The true value of this scarce resource is unlikely to be realized unless access to it is tendered or auctioned. So, in any situation where a new market is created, where scarcity is introduced or where demand exceeds supply, then competitive allocation processes should be applied.

Incumbency

When a concession is first allocated to a concessionaire, they become the incumbent or existing operator. Unless informed otherwise, the original operator will have an expectation that when the concession expires it will be renewed

and reallocated back to them. In some cases, having incumbent operators can be of benefit to a protected area agency, as the operators become well known, understand what it is like to work in a protected area and will sometimes commit to longer-term stewardship programmes (such as those featured in Chapter Twelve). However, in other cases, incumbency can mean that the protected area agency may be stuck with the same poorly performing operator at the expiry of their concession, or incumbent operators may become complacent, lacking any real incentive to innovate and improve their operation or the service they offer to visitors.

Tender processes generally reduce the expectation of indefinite incumbency, while application processes tend to have the opposite effect and encourage existing concessionaires' expectations that their concessions will automatically be renewed. The key with incumbency is to manage operator expectations from the very beginning—potentially, they have a lot invested, so this is only fair and reasonable. Early in the life of a concession it is important for protected area agency staff and concession operators to consider the concession lifecycle and how the concession opportunity will be awarded at the expiry of its first term. For example, if an operator understands that a concession has been awarded to them for 10 years, but will be tendered after that, then they can plan accordingly. In Namibia, when a concession is awarded to an operator because it is a new and innovative activity, the Tourism and Wildlife Concessions Policy¹⁴ states that when the concession expires it will be tendered. There can be no expectation from the incumbent operator that the concession will automatically be awarded to them. In New Zealand, it has proven to be very difficult for the Department of Conservation to tender opportunities where there has been a long-term incumbent operator, even if the concession has expired.

If concessionaires have been performing well, then they generally have nothing to fear from a tender process, especially since most tender criteria sensibly consider the bidder's ability to carry out the activity given their past and proven performance. In the USA, the USNPS goes even further by providing a right of preference to some existing

operators (those with annual revenues under US\$500K) so long as they can match the elements of the better offer. However, care is needed with this approach, as it probably reduces overall interest in the tender process.

If there are several operations in a protected area it is a good idea to manage these concessions toward a common expiry date. This maximizes the time and flexibility available to the protected area agency for 1) planning the level of sustainable resource rights that it wants to be used over the next allocation period and 2) using an allocation mechanism that will help it achieve the best outcomes. This is currently the case with Heliski concessions in New Zealand, which have traditionally been tendered on a block-by-block basis. However, Department of Conservation concessions staff recently realized that all of the concessions in several regions were due to expire within 2 years of each other. Consequently, the concessions that were due to expire were renewed for a short period so that they all now expire at the same time. This provides the Department with the ability to carefully plan the next round of allocations. In this situation, an auction could even be used to test the market demand and price for the activity.

Allocating rationed rights in limited supply situations

In any location, only a limited number of business opportunities are generally available. This may occur for conservation reasons (e.g. because of impacts on wildlife or fragile ecosystems such as caves), or because space at a particular site is limited or to protect the quality of the visitor experience (e.g. 4x4 tours through untracked desert or heliskiing on untracked powder snow). When a protected area agency is faced with limited supply situations it is important that it allocates rights via tender or auction processes, since this provides the only fair and equitable way of allowing everyone who is interested to participate and have the chance to put their best proposal forward. Application processes are not good in these situations, as their only way of rationing is the 'first in first served' approach where the first application received by the agency is the only one considered.

¹⁴ Tourism and Wildlife Concessions Policy 2007, Ministry of Environment and Tourism, Namibia.

While the application approach for concessions seems clear and straightforward; in practice, protected area agencies that have accepted applications for concessions over time may find that their area is becoming crowded or over-commercialized while demand for new and existing business opportunities continues to grow. In this case, the agency needs to exercise its powers and move from reactive (application) to proactive (tender, auction) mechanisms. Over a period of time, operators will often have made considerable investments in their businesses (which are their livelihood), so making this transition is as much about managing expectations and relationships with them as it is about managing the contract process. Protected area staff must give as much warning as possible if they intend to change to allocating expired rights via a tender or auction.

Banking concessions

At the other extreme, there are times when a protected area may have identified more opportunities than there is demand for. Rather than being discarded, these business opportunities can be 'banked' or held for a time when market conditions improve. Banking concession opportunities that have been identified and scoped, but are unallocated, is a clever way for a protected area agency to be proactive and to encourage investment where it wants it to occur. Banking opportunities also demonstrates to political leaders that the protected area agency is trying to be business friendly and proactive. In some cases, the banking of opportunities can be for older infrastructure such as light houses (in Tasmania) or ex-world-war-two military facilities (in New Zealand). Perhaps the best example occurs on Australia's Great Barrier Reef. Operators who have previously been allocated 'special tourism permissions' (i.e. capped opportunities), but who have not used them, are instead awarded a standard permit when the special tourism permission expires. The special tourism permission then becomes a 'spare' permit. The spare permits, and any new special tourism permissions identified, are held in reserve. There are approximately 90 special permits held in reserve at present. These can then be allocated proactively, in blocks, when market demand for these opportunities grows.

The Great Barrier Reef Marine Park Authority (BRMPA) and the Queensland Parks and Wildlife Service have also reserved thirteen of these special permissions for indigenous groups. In this case, the agencies have been active in retiring rights that are not used and in identifying new opportunities. They are well positioned to capitalize on any upswing in the tourism market.

Cost recovery

Many protected area agencies charge an application fee for considering applications or for running tenders. The fee is designed to off-set the staff and agency time spent on working with businesses so it does not become a burden on core conservation work. Application processing is geared toward recovering costs and not making a profit, so the cost recovery fee is separate from the concession fee charged to the concessionaires once the business is operating.

These fees can be easily justified, since they help a protected area agency recover the costs incurred as a result of conducting various actions on behalf of third parties. There are some other significant benefits for both the private sector and protected area agencies in charging cost recovery fees, including:

- If an application fee applies, it reduces the number of spurious applications that are not well thought through and that were never likely to be viable. These can occupy significant amounts of staff time and distract staff from serious tenders or applications.
- Cost recovery fees can (and should) be used to pay for concession staff. So, if the concession workload goes up, then staff can be recruited to address the increased workload. Likewise, if the workload and cost recovery reduces, the number of additional (contract) staff can be reduced. The point here is that a protected area agency's concession processing capacity should not unduly constrain investment just because it cannot process concessions or run tenders fast enough. Using cost recovery funds to boost agency capacity is a good way of alleviating this problem.
- Cost recovery helps to ensure that business

opportunities can be considered without placing an undue drain on funds for core conservation and recreation work.

- Fees encourage protected area agency staff to provide a good service, and applicants to expect it. This does not mean an application or tender will be successful, but it does mean it will be processed efficiently and professionally.

Cost recovery fees must be discussed with applicants or potential bidders when they first enquire about a concession. The fees should also be explained on brochures and the agency website so that there are no surprises. Whenever possible, these fees should be paid when the application or tender bid is first lodged. Applicants or bidders should also be advised that processing fees are generally non-refundable, even if the application is declined.

The fees charged need to reflect the actual effort that goes into considering and awarding a concession. With small, everyday concessions, a standard fee may be set and charged when the application or tender bids are lodged. For large-scale applications or tenders, a fee will need to be set based on the actual staff time and resources needed to consider the application. This can include staff hourly charge-out rates and vehicle mileage. In this case, an estimate of fair and reasonable costs should be provided to the applicant and they should acknowledge and sign this. The applicant should be informed of any significant variation from this estimate. The processing costs can then be recovered at various stages throughout the process.

Case study: Cost recovery

The Great Barrier Reef Marine Park Authority (GBRMPA) charges application fees that vary according to the size and scale of the activity involved. These fees are adjusted each year based on the consumer price index. Application fees for aircraft and vessels with less than 25 passengers start at AU\$680 and go through to applications that require public notification of nearly AU\$8000¹⁵. If a concession proposal restricts reasonable use by the public, GBRMPA can require public notification of the proposal and can invite public comments. These comments will then be considered in assessing the application.

New Zealand's Department of Conservation charges standard application processing fees for small-sized (NZ\$110) and medium-sized (NZ\$1540) applications and will provide a detailed estimate for very large applications¹⁶. These fees are clearly advertised on the Department's website. In its 2012 Annual Report, the Department of Conservation reportedly recovered just over NZ\$2 million in processing fees and earned NZ\$14.3 million in concession revenue. In 2009, the Department reported that it had 58 full-time staff working in the concession area and that it processed around 1100 applications per year¹⁷. It can be crudely estimated that the cost recovery fees charged in 2012 covered the salary costs for approximately 40 concession staff¹⁸. This demonstrates the value of charging cost recovery for application processing or fees for tender applications.

¹⁵ www.onboard.gbrmpa.gov.au (accessed March 2013).

¹⁶ www.doc.govt.nz (accessed March 2013).

¹⁷ Concession Processing Review, Department of Conservation, New Zealand, 2009.

¹⁸ Note that the salary costs of staff and full employment cost of staff (i.e. salaries plus desks, power, computers etc) are very different.

SUMMARY

Once an agency has decided 'what' to allocate through its planning processes, decisions can be made on 'how' best to allocate the opportunity. This chapter was about the 'how' to allocate and presented a number of concession allocation tools and their key steps which can be used to award concessions. Each process, whether unsolicited or some form of public offer, has different strengths and weaknesses and will help protected area staff to achieve different outcomes.

Information on incumbency, limited supply situations, banking concessions and how to use cost recovery to boost capacity has also been provided, along with examples of decision-making criteria, and case studies from Namibia, the USA and Australia.

The critical point in this chapter is that protected area agencies and the laws, policies and procedures they administer should provide for the use of as many of these tools as possible. These processes should comply with the principles of good process outlined in this chapter. The level and quality of business investment in concessions will directly reflect the level and quality of resources that protected areas put into their concession function.

ACTIONS

1. Develop, document and publicize a range of allocation tools for awarding concessions. Have these processes agreed to by senior managers and legally checked.
2. Ensure there is clear separation between concessions staff, decision makers and staff who process invoices and bank fees.
3. Publicize the protected area agency's decision making criteria, processes and application fees so they are clear and transparent to all.
4. Ensure that concession staff meet as many applicants as possible in face-to-face briefings to explain to them how applications will be considered, tenders run and concessions managed.
5. Identify situations where new markets are being created, scarcity/exclusivity is present or where demand is already exceeding supply or is about to. Plan for these circumstances and the resource that is available and then plan for how these rights are allocated so that the protected area agency can capitalize on this value.
6. Bank as many concession business opportunities as possible so they can be advertised and allocated as market conditions improve.
7. Ensure the agency has clear cost recovery practices in place and that it is able to use cost recovery funds to expand its concession processing and management capacity as needed.



(Above) To be successful hunting concessions must be extremely well planned having with tightly defined locations and specific quota allocated. The quota must be based on sound game counts, targeting post breeding age animals and funds earned need to be returned directly back to the management of the wildlife. Photo: Ministry of Environment and Tourism, Namibia

(Below) In remote rural areas concession planning with communities can help to ensure that local people benefit from tourism, so that they gain some of the benefits of conservation rather than just living with the costs.





(Above) Chemucane community meeting to discuss concessions in the Maputo Elephant Reserve, Mozambique. Photo: P. J. Massyn

(Below) In remote rural areas concession planning with communities can help to ensure that local people benefit from tourism, so that they gain some of the benefits of conservation rather than just living with the costs.



Introduction

“Many, if not most PAs [protected areas] face a funding crisis, both in terms of the amount of funds available and how those funds are used. There is an urgent need to expand and diversify PA financial options and to ensure that funding reaches the groups and activities essential for biodiversity conservation; tourism presents a viable financial option.”¹

Protected areas worldwide face funding shortfalls, nowhere more so than in developing countries where public funds are chronically scarce and often directed to social rather than environmental priorities.² Even in the industrialized world, protected area budgets are under pressure as governments cut back to balance their national accounts. In response, protected area agencies are forced to innovate as they strive to optimize revenue from the assets they control.³ Together with other so-called ‘market-based mechanisms’ (such as entry levies, licenses and permits), concessions hold great promise as a source of revenue for protected areas. But they are by no means a panacea. If concessions are to fulfill their considerable potential, managers must adhere not only to the legal requirements of the jurisdictions within which they operate but also to certain basic principles of good practice. Failing to do so can lead to poor outcomes that, in extreme cases, degrade the environment, deny equitable access and impose net costs on management. This chapter outlines some important underlying principles and then provides guidance on the pricing of concessions and the elements that make for sound contracts between protected area agencies and their business partners.

Key messages

1. Financing protected areas is one of the major challenges facing biodiversity conservation globally. In combination with other user fees, concession income is an important conservation finance mechanism that can enhance conservation and deliver a range of other public benefits.
2. For public offerings, protected area agencies must understand the value of a proposed opportunity before offering it to the market. There is a variety of methods that an agency can use depending on its needs and circumstances. These include comparison to fees set for similar concessions and specific valuation based on financial modelling.
3. Concessions must bring net gains to protected areas, but they are about more than just dollars and cents. Each agency must determine the trade-offs between the financial, environmental, developmental and other returns it seeks from a given concession, and communicate these clearly to its prospective concessionaires.
4. Competitive public offerings are the most accurate means of establishing market value but they are not always appropriate or viable. Protected area agencies can also respond to innovative applications that support their areas’ priorities by negotiating a fair price based on prior valuation of the opportunity.
5. There is a range of fee formulas available to protected area agencies, including revenue-linked, per unit and fixed-fee mechanisms. Each of these methods has its own strengths and weaknesses, and each agency must determine the formula that best suits its circumstances.
6. Concession contracts vary widely from jurisdiction to jurisdiction. Protected area agencies should develop procedures and standard-form contracts rooted in domestic law that clearly outline the rights and responsibilities of each party, but covering certain basic elements that characterize good practice everywhere.
7. Strong, efficient and business-like institutions that are transparent and accountable are needed to negotiate and manage the contracts and revenue streams associated with concessions.

¹ Wyman, M.; Barborak, J.R.; Inamdar, N.; Stein, T. (2011) Best practices for tourism concessions in protected areas: a review of the field. *Forests* 2(4): 913–928 (p. 914).

² Hughes, M. (2008) Good practice user-pays systems for protected areas. Cooperative Research Centre for Sustainable Tourism, Gold Coast, Australia.

³ Parks Forum (2012) Exploring revenue models for parks agencies. Proceedings of the Parks Forum innovative revenue models workshop, Parks Forum, Melbourne, Australia.

Discussion

General principles

Chapter One showed that the law, policy and practices governing how protected area agencies manage concessions differ from country to country. A manager working in South Africa's national parks system must, for example, comply with the provisions of that country's Protected Areas Act as well as the specific national regulations that apply to all public-private partnerships on state land. In New Zealand, officials must work within the framework of the Conservation Act 1987 and the Standard Operating Procedures set by the Department of Conservation; while in the USA, staff must comply with a raft of legislation culminating in the 1998 Concessions Management Act. Despite these jurisdictional differences, when it comes to the pricing of concessions there are some basic principles that apply in all situations:⁴

1. **A concession is a private right to operate a business on public land and the holder of the right must pay a market-based fee.** This differs from mere cost recovery, which is compensation to an agency for the time and other resources spent on processing, monitoring and managing a visitor service.
2. **Generating revenue is a means to an end; conservation is the primary purpose of protected areas.** Managers must ensure that concessions—like all other activities—support their protected areas' overall conservation objectives.
3. **Without revenue retention for reinvestment in a protected area, managers have no incentive to develop income streams such as concessions.** Protected area managers clearly have an interest in retaining as much fee revenue as possible for reinvestment in visitor facilities and management. Managers will not see the point of collecting income from private businesses if such revenue does not directly benefit their protected areas. Where income from a concession is not returned to a park or other protected area, flowing only into the government's general treasury, managers tend

to view even a lucrative concession not as an asset but as a liability.

4. **Charging for concessions is not viable in all cases.** If there is little market demand, a lack of entrepreneurs with sufficient capital and expertise, or the protected area agency has inadequate organizational capacity, concessions are not likely to succeed as a revenue source for conservation. Before offering a concession to the market, protected area managers should always test its viability by undertaking not only a marketing and technical study but also an analysis of their agency's ability to cope with it.⁵
5. Concessions are a potentially unstable revenue source because they are vulnerable to external events that are beyond the control of protected area agencies and their concessionaires. Agency managers can mitigate the intrinsic risks associated with concession income by avoiding over reliance on a single revenue stream. **Ideally, protected area agencies should build diverse funding portfolios; concession income should be one of multiple revenue streams so that agencies can cope better with natural disasters, market downturns, political instability or other external events that threaten concession income.** This is equally important for local communities that benefit from concessions in protected areas (see Chapter Two). Benefit flows associated with such concessions should always be part of a diversified financial strategy that encourages a range of income-generating activities.
6. **Concessions should be cost effective**, which simply means that they should be profitable for the protected area agency, i.e. revenue (and other benefits) earned over the lifetime of a particular concession should exceed the cost of administering it. When planning new commercial offerings, managers should therefore consider **the benefits and the costs** of developing this new source. If a concession is likely to cost the agency more to administer than it is likely to earn, it is generally not worthwhile pursuing.
7. **Strong, efficient and business-like institutions** that are transparent and accountable are needed to negotiate and

⁴ Adapted from Thompson, A. (2013) Financing protected areas in China's Gansu Province—an international perspective. Unpublished report prepared for UNDP China.

⁵ Eagles, Paul (2009) Governance of recreation and tourism partnerships in parks and protected areas. *Journal of Sustainable Tourism* 17: 231–248.

manage the contracts and revenue streams associated with concessions. Sufficient **human capacity** is another key component, particularly staff who can identify potential, scope revenue sources, assess proposals, negotiate with the private sector and manage the resultant contracts. The absence of well-run and competently staffed institutions undermines confidence and limits investment in conservation (see Chapter Nine).

8. Linked to the above, **corruption** of any sort is a scourge that undermines the integrity of concession systems.
9. Those who **incur the cost of living** in or around protected areas (or who suffered historic losses such as removals to allow the establishment of

parks or other protected areas) should share in some of the benefits generated by concessions (see Chapter Two).

10. **Strong political support** is essential to secure, grow and develop concessions income that contributes significantly to conservation outcomes and community engagement in conservation. Demonstrating to government and the public that protected areas make money and deliver other public benefits is likely to strengthen such groups' support for conservation.

Box 6.1 provides an example from the Department of Environment, Water and Natural Resources in South Australia showing the different revenue streams (including concessions) that they utilize.

Box 6.1: Revenue streams in the Department of Environment, Water and Natural Resources in South Australia

In a presentation for Parks Forum⁶, Allan Homes, Executive Director, Department of Environment, Water and Natural Resources in South Australia, presented information on the department's various revenue streams. He suggested that when thinking expansively about revenue, the challenge for managers of protected area agencies was to develop a diagram, model or framework for their current sources of revenue. The point he made was that until an agency produces an accurate account of its current sources of revenue, it is hard to work out what a different arrangement might look like. Allan described his revenue sources in the following way:

- Appropriations from government (AU\$150 million)
- Contributions from other governments (AU\$100 million)
- Commercial operations, including events (AU\$5–10 million)
- Entry fees and car parking charges (AU\$5–10 million)
- Business partnerships—private and community (AU\$1–2 million)
- Philanthropic sources—donations and bequests (AU\$1–2 million)
- Volunteer schemes (AU\$5 million)
- Carbon trading (undeveloped)
- Biodiversity trading (less than AU\$0.5 million)

The variety of sources highlighted by this list also reinforces the point that it is important to have a diversified revenue portfolio.

⁶ Parks Forum (2012) Exploring revenue models for parks agencies. Proceedings of the Parks Forum innovative revenue models workshop, Parks Forum, Melbourne, Australia.

Concession fees

What's it worth?

A concession in a protected area generally involves a private firm (the concessionaire) acquiring the right to invest in and commercially use public property in return for the payment of a market-based fee. If a fair price is to be agreed, both parties must, from the outset, be well-informed about the value of the proposed concession. If a protected area agency engages a concessionaire—whether through tender, auction or application—without clearly understanding the value of the commercial rights on offer, it runs the risk of a poor outcome: if an ill-informed agency demands too much, the concessionaire may withdraw, leading to transaction failure; if it asks too little, the public

purse may be short-changed and a bad precedent set for future fee settlements.

Material presented in Chapter One shows that protected area agencies earn important income from concessions activities: the US National Parks Service (NPS) generates US\$60 million, Parks Canada CAD\$8.2 million, New South Wales Parks and Wildlife Service in Australia AU\$16 million and the Great Barrier Reef Marine Park Authority in Queensland, Australia AU\$8 million⁷. In New Zealand, earnings from concession fees by activity are reported each year in the Department of Conservation's annual report. This provides useful, high-level trend information and transparency to the public. Coupled with data on the number of concessions, this revenue data reflects the relative value of each sector. Table 6.1 provides details of concession revenue in New Zealand and Box 6.2 provides a snapshot from the USA.

Table 6.1: Concession revenue by activity in New Zealand⁸.

Concession fee by activity	30/06/2012 NZ\$000	30/06/2013 NZ\$000
Guiding	3,003	2,697
Telecommunications	1,744	1,647
Grazing	1,622	1,374
Tourism occupations	1,490	1,413
Ski areas	1,434	978
Sporting and special events	49	50
Aircraft landings	1,141	1,496
Residential/recreational	841	1,034
Other occupations	640	622
Vehicle transport	234	276
Boating	693	710
Filming	236	144
Easements	434	496
Extractions fees	59	40
Miscellaneous	383	179
Recovery of rates	433	515
Total concessions, leases and licences	13,793	14,314

⁷ Thompson, A. (2009) Scan of concessions systems and best practice, the United States, Canada, Australia, Namibia and New Zealand's fisheries management system. Unpublished report prepared for the Department of Conservation, Wellington, New Zealand.

⁸ Department of Conservation (2013) Annual Report for the year ended 30 June 2013. Wellington, New Zealand.

Box 6.2: Accommodation fees in US National Parks

As of 2013, approximately 19.5% of park revenues were obtained from accommodations in park-run lodges. Most US national parks do not offer overnight accommodation. Of the 401 national park areas, only 41 provide lodging accommodations. Most national park lodges are owned by the government but are operated by private concessionaires with room rates and food prices generally subject to supervision by the park superintendent. Retail (rack rate) prices span a wide range, from rustic accommodations at Grand Teton National Park for \$20 per night, to hotels such as the Volcano House at Hawai'i Volcanoes National Park for over \$200 per night⁹.

In mature jurisdictions with extensive experience in fee setting, managers often draw on precedents to set a price or to gain an initial understanding of value. Many protected area agencies have databases of fees accepted by concessionaires for similar opportunities at other sites. Clearly, where there is a strong portfolio of comparable cases, managers can engage with potential concessionaires confident in the knowledge that they understand the value of a given offering. In the USA, for example, the NPS has a wealth of experience to draw on; the first private investments in concessions in the USA go back to the founding of Yellowstone National Park in 1872. Today, the NPS administers more than 500 concession contracts that gross over US\$1 billion annually.¹⁰ In such environments, managers have a plethora of comparative data to use.

Even if domestic benchmarks are not readily available, protected area managers may still use a comparative method by referring to fees achieved for similar concessions in other jurisdictions. In Africa today, for example, there are many precedents for the pricing of safari lodge concessions in parks. Countries such

as Botswana, Namibia, South Africa, Zambia, Zimbabwe, Tanzania and Kenya can draw on their own domestic experience and also on regional comparisons when setting prices for such operations.

Where there are few comparable data to use as benchmarks, where a concession is particularly large or complex, or a new business model is being pioneered, or market conditions have changed, protected area agencies are best served by obtaining a professional valuation carried out during the planning phase of developing a concession. Often this is done as part of an initial assessment designed to determine whether a proposed concession is technically, legally, commercially and financially feasible. Valuers have a variety of methods at their disposal. A common approach is to examine the economics of a proposed operation by building a financial model that forecasts future obligations and revenues. This exercise typically culminates in a recommended fee that managers can use to set a fee or to use as the basis for negotiation. Box 6.3 provides a brief description of the approach taken in South Africa to value concessions.

Box 6.3: Assessing the value of potential concessions in South Africa

When, for example, South Africa's national parks agency first decided to launch a concessions process in the early 2000s, there was little precedent at home or in the region to price the new offerings. The agency therefore engaged the services of the International Finance Corporation to advise on the value of the opportunity before offering them to the market via tender. This exercise resulted in informed negotiations with bidders and helped to establish a sound basis not only for the pricing of the first round of concessions but also as a precedent for future transactions of a similar kind.

⁹ Pers. comm. Jo Pendry (2013), National Park Service, USA.

¹⁰ www.concessions.nps.gov, accessed 23 March 2013.

Money is not everything!

In setting fees, it is important to remember that concessions are not only about obtaining the highest dollar value for the opportunity. Protected areas are public assets that are managed for a range of benefits and outcomes. In practice, this means that the pricing of concessions is most often tempered by broader considerations (conservation value above all, but also other factors such as public access, economic returns and equity). The governments of many countries thus allow their protected area agencies to reduce or waive concession fees where there is significant public benefit from the activity. For example, in New Zealand, fees may be reduced or waived if a concession contributes to the management of a protected area or where there is some other non-commercial public benefit from its operation (such as educational or charitable activities that result in a public good). However, reductions or waivers, while often justified, should never be at the discretion of individual managers; instead, they should be rooted in a clear legal mandate, follow due process and ensure that any fee reduction is in proportion to the public benefit associated with the concession.¹¹

The award of concessions is almost always based on a mix of criteria of which the financial offer is just one among several. As discussed in Chapter Five, other factors may include environmental

performance, ability to undertake the activity, contributions to conservation and socio-economic development and presentation of the protected area values. The highest dollar bid therefore does not necessarily win the concession; instead, the winning offer will be the one that best meets the mix of criteria set by the protected area agency when it offers the opportunity to the market. In Namibia, for example, neighbouring communities that have received concessions in protected areas under that country's concession policy may value socio-economic contributions including local jobs, training and investment in social infrastructure (such as clinics and schools) more highly than financial offers when they seek concessionaires through tender. In other cases, environmental considerations may carry the highest weight (such as in the examples cited in Chapter Five). Even where the primary objective is to generate revenue for the agency—as in the successful tender of lodging concessions by South African National Parks in the early 2000s—other considerations play a role. In that case, bidders had to demonstrate their financial strength, operating experience and environmental credentials in order to qualify, but their proposals were scored on their financial and black 'empowerment' offers (see Box 6.4). The latter was considered particularly important given South Africa's history of racial discrimination and the need for historically disadvantaged black South Africans to benefit from the business opportunities being offered to the private sector.¹²

Box 6.4: Definitions of 'empowerment' in Namibia

Namibia's 2007 'Policy on Tourism and Wildlife Concessions on State Land' defines 'empowerment' as follows:

"Empowerment means the economic empowerment of formerly disadvantaged Namibians including women, workers, the youth, people living with disabilities and people living in rural areas through concessions, based on strategies that include, but are not limited to:

- Increasing the number of formerly disadvantaged people that manage, own and control enterprises and productive assets;
- Facilitating ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprises;
- Human resource and skills development;
- Preferential procurement;
- Investment in enterprises owned or managed by formerly disadvantaged people."

¹¹ Department of Conservation (2005) Standard operating procedures for setting concession fees. Unpublished procedure, Department of Conservation, New Zealand.

¹² For a discussion of the South African case, see Fernhead, P. (2003) Commercial tourism concessions: a means of generating income for South African National Parks. Paper presented at the Vth IUCN World Parks Congress, Sustainable Finance Stream, Durban. 'Empowerment' in South Africa generally refers to participation by those who were racially disadvantaged under apartheid (see also Chapter Two).



(Left) The Minister, Hon. Netumbo Nandi-Ndaitwah and representatives of the Gciriku Traditional Authority, George Mukoya Conservancy and the Muduva Nyangana Conservancy execute a concession contract for campsite developments in Khaudum National Park

(Right) Offer made and accepted—Chief Max Haraseb (Damara people) and Chief Langman Muzuma (Herero people) teach all the expert consultants a lesson in quick decision-making, diplomacy and vision regarding tourism planning and the sharing of future benefits from concessions between two tribes.

The point is that each protected area agency should set and prioritize its goals before offering an opportunity to the market. Understanding the market value of the rights being offered is only one—albeit vital—element of a broader process through which an agency can determine the trade-offs between financial, environmental, developmental and other criteria appropriate to its circumstances. As emphasized throughout this book, there is no one-size-fits-all solution—each agency must develop its own understanding of the relative importance of the various returns it seeks from a given concession opportunity, and communicate these clearly to its prospective concessionaires.

Setting the fee

As in any market-based transaction between the public and private sectors, settling on price involves balancing the amount the private party gains from the use of the public asset and the amount the public agency earns in exchange. In a typical commercial transaction this is referred to as a

‘market fee’, which is sometimes defined as the price that would be agreed between knowledgeable parties in an open market with numerous potential concessionaires.¹⁰ In finding this balance, it is important for the protected area agency to define, communicate and follow a clear path of consideration from the outset, so that the fee-setting process is transparent, fair and consistent.

Concession fees are typically set through public offerings initiated by a protected area agency or in response to applications initiated by the market.

Agency-initiated competitive public offerings

What Chapter Five describes as ‘supply-driven public offerings’, in which protected area agencies identify business opportunities, test their viability and offer them to the market via some form of competitive bidding (such as tender or auction), are the most accurate means of establishing market value. As discussed above, the onus is on the agency to establish that there is sufficient demand

for a given opportunity before offering it to the market. Provided there is adequate demand from entrepreneurs with sufficient capital, interest and risk-taking ability, a competitive public offering of this kind clearly demonstrates what the market is prepared to pay and is generally recommended, especially for large concessions or in situations where demand is likely to outstrip supply.

A well-prepared agency will use its preparatory planning to test market demand and set a reserve price or minimum fee, which bidders will be required to match or exceed. The minimum fee is often based on a cost-recovery calculation, i.e. it is priced to recover the estimated cost of administering and managing the concession across its entire term.

Market-initiated applications

'Demand or market-driven applications' (sometimes also called 'unsolicited bids'), in which prospective operators approach protected area agencies with business proposals, are important for fostering innovation and investment. But they also pose

a challenge for managers, not least because the market does not price concessions awarded in this way via competitive bids.¹³ This is not an insurmountable problem if an agency has a database of comparable activities that have been priced by the market or has conducted a rigorous appraisal to establish fair value prior to making the offering public. In such circumstances, the agency should use its preparatory valuation as a target for settlement during negotiations. In general, the target should not be disclosed and not used as the opening bid in negotiations; instead, the agency should test the price appetite of the applicant by commencing negotiations with a higher figure than the target fee.

Whether driven by supply or demand, protected area agencies should include a provision that allows them to decline the highest or, indeed, any particular offer. This provides scope for the agency to negotiate, especially where market interest is limited or the tendered fees are low. Refer to Box 6.5 for a summary of how the USNPS set concession fees.

Box 6.5: Synopsis of how fees are set by the USNPS

To **develop the recommended minimum franchise fee** the PA or its consultant will:

- Review the historical financials and compare to industry standards.
- Develop a buildup of future financial performance.
- Create the framework to evaluate operating and investment scenarios.
- Use investment analysis to determine profitability.

In determining the franchise fee, the PA must estimate the concession operation's anticipated revenues, expenditures, cash flows, and investments to be made over the term of the contract with the assumption that the Concessionaire is a reasonable business entity who operates in a competitive marketplace. This analysis should also include:

Projections for capital improvements. These items are funded by the Concessionaire to build, remodel or replace structures during the term of the contract event.

Estimates of Personal Property Initial Investment and Replacement (IRR) Cost. Include the anticipated cost of the initial personal property investment and replacement costs.

Other investment items

- Estimates of beginning and ending working capital.

¹³ Some agencies may choose to put such proposals to the market to test demand and to ascertain the price operators are willing to pay (with or without offering the original applicant the opportunity to match the highest bid) via methods such as the so-called 'Swiss Challenge', but this tends to undermine incentives and innovation, and is rarely successful.

- Estimated beginning and ending inventory (merchandise) and supplies. Reference the Existing Contract to determine any requirements around the purchase of existing inventory, supplies and personal property from the current Concessionaire.
- Estimated other pre-opening expenses, for example management hiring, relocation and training.

Develop an appropriate Internal rate of return hurdle rate.

An acceptable rate of return in the format of an IRR or other investment goal that is specific to this type of investment and that accounts for the unique risk factors associated with the contract at the Park.

Common fee formulas

Concession fees can be structured in many different ways. Again, there is no single recommended formula; each protected area agency must adopt a method (or variety of methods) that best suits its specific requirements.

Revenue-based fee formulas

A widely used approach is to set the fee as a **percentage of the gross revenue generated** by the concessionaire, often in combination with a fixed minimum that becomes payable if the percentage of turnover falls below an agreed threshold. This approach has the obvious advantage of allowing some sharing of the

commercial risks and returns between the two parties to the contract: when revenue rises, the fee increases and vice versa. If combined with a fixed minimum fee, it also provides the protected area agency with some protection in a worst-case situation by guaranteeing a minimum income regardless of business performance. Not surprisingly, this approach is often used. In southern Africa, for example, many protected area agencies have adopted it for a wide variety of concessions, including accommodation, shops and restaurants. Comparative evidence in this region shows a benchmark rate of between 6% and 10% of gross revenue for safari lodge concessions in high-value parks combined with a minimum guaranteed payment of around 50% of the concession's anticipated fee.¹⁴ Box 6.6 provides an example of revenue-based fees in the USA.

Box 6.6: Revenue-based fees in the NPS

River concessionaires in the Grand Canyon pay a sliding scale franchise fee based on their gross income to the NPS, as follows:

- 4% of gross receipts between 0 and US\$500,000
- 8% of gross receipts between US\$500,000 and US\$1,000,000
- 12% of gross receipts between US\$1,000,000 and US\$2,000,000
- 18% of gross receipts exceeding US\$2,000,000

The total franchise fees paid in 2012 were just over US\$4,000,000. 80% of these fees remain at the Park, and many of them are spent to support the river's ranger programme, permit operations and resource management. Others are spent to support general visitor experience.

¹⁴ Mafisa (2008) Survey of safari lodge fee structures in six southern African countries. Johannesburg, South Africa.

Concession fees are sometimes set as a **percentage of net revenue or profit** but this is **not** recommended, mainly because it is relatively easy for concessionaires to reduce—and difficult for most protected area agencies to monitor—profits through deductions of one kind or another.

Variable, revenue-linked fees based on turnover (gross revenue) clearly offer distinct advantages. But such arrangements also bring certain difficulties, especially for agencies that lack strong organizational and technical capacity. In order to be effective, they require:

- **A careful definition of revenue**, otherwise the concessionaire may manipulate earnings by deducting various expenses. Even with a robust definition of gross revenue, this arrangement remains vulnerable; for example, when concessionaires—especially those with diversified group structures—reduce concession income by transfer pricing within the group. A common example of intra-group transfer pricing involves a tour operator or travel agency—often one based in another country—reducing the revenue it transfers to a related operating company (which holds the concession) in order to reduce concession revenue. The following quote highlights how reported revenues can be manipulated:

“... the most insidious cases we found were the secret violators: operators who take the money from paying guests and divert it to overseas bank accounts. Thus they dodge not only local taxes but also cheat their neighbouring communities out of the bed levies owing to them and the foreign exchange due to the various national treasuries. In East Africa, where the practice is endemic, it’s called ‘leakage’. These eco-pirates have done more than anyone else to sully the name and reputation of ‘ecotourism’”¹⁵.
- **Strong inspection and auditing rights** to give the protected area agency the right to monitor the concessionaire’s compliance with its contractual obligations.
- **Adequate organizational capacity** to ensure effective monitoring of and compliance by the concessionaire. It’s all very well to have strong inspection rights, but protected area agencies must also have the capacity to exercise those rights effectively. Where agencies lack such

capacity, they sometimes retain the services of a competent auditing firm to verify compliance. But this is only viable where concession income is large enough to carry the often considerable costs of such an arrangement; smaller or more marginal concessions often cannot afford the use of professional auditors. In these cases, agencies are best advised to seek simpler fee formulas that do not require the same level of monitoring (see below).

Per unit fees

In some circumstances, protected area agencies may prefer to charge a fixed fee per unit of use. This can take a variety of forms. For example, an agency might grant grazing concessions to livestock farmers for an agreed fee per stock unit per year. This type of arrangement often also applies to concessions for commercial resource extraction (such as gravel charged per cubic metre or thatching grass charged per standard bundle). In some cases, concession fees are linked to the land used by a concessionaire. In some developing countries, such as Mozambique, a lack of institutional capacity combined with the difficulty of verifying concession revenue, has led government to prefer charging a set fee per hectare per year for tourism concessions in protected areas. Forestry concessions in protected areas that are charged per hectare per year are another good example.

The advantage of such per unit fees is that they are generally not difficult to track and therefore relatively easy to administer. It is, however, vital that the fee is based on a realistic valuation of the business opportunity and that it is regularly reviewed to ensure that it remains market-related (see Box 6.7). This is not the case in Mozambique, where the fee per hectare is centrally set by government decree and is widely regarded as being too high for top-end safari tourism, which typically requires access to large areas for game-viewing purposes¹⁶. This has discouraged some of the region’s major safari operators, resulting in the loss of a potentially valuable source of revenue for Mozambique’s protected areas.

Per unit fees can also be based on the number of guests or customers a concession serves during

¹⁵ Bristow, D.; Bell, C. (2013) *Africa’s finest: the most sustainable and responsible safari destinations in sub-Saharan Africa and the Indian Ocean Islands*. Green Safari; Cape Town, South Africa. P. 368.

¹⁶ The Mozambican government unilaterally doubled tourism user fees in September 2012 with what seemed like little regard for market realities.

Box 6.7: Examples of why concession fees need to be reviewed regularly

Fees set in the 1980s, when many concessions were awarded in Botswana's then little-known Okavango Delta, quickly became out-dated as the area's appeal grew to its current level as one of Africa's most desired (and lucrative) safari destinations. By contrast, political instability starting in the late-1990s in neighbouring Zimbabwe precipitated a collapse in tourism demand that meant concessions became too expensive for many firms operating in that country's parks.

a given period. Guiding concessions are, for example, often set on a per person per trip basis. This has the advantage that the fee varies with demand and therefore allows some sharing of risk and returns similar to the revenue-linked formulas discussed above. It is also easier to track the number of people served by a concession than to verify revenue and this approach is therefore often preferred for smaller concessions and by protected area agencies with limited organizational capacity. As in all per unit formulas, it is important that this type of fee is properly set and regularly reviewed if it is to remain market-related for the duration of the concession.

Fixed fees

Fixed fees are sometimes used for small concessions or when anticipated fee income is low, erratic or hard to police.¹⁰ Fixed fees are obviously simple to administer, but they lack flexibility and do not allow the parties to share in the risks and returns of the concession: the fee remains the same whether a concessionaire's business is contracting or expanding. They are also not generally accepted as good benchmarks for future fee setting because they are often not rooted in market-based valuations. In general, fixed fees should be avoided except in specific situations such as for small, short-term concession opportunities where ease of administration or other local considerations make a compelling case for them.

Fee adjustments

New tourism operations, especially those that require large initial investments, often take time to

build volumes and become cash positive. For this reason, concession fees—whether revenue-linked, per unit or fixed—are often phased-in over an initial period.

Useful tip: Managers should aim to step concessionaires into full market rentals over an initial period of, for example, 3 years. This gives the concessionaire some relief while the business becomes established in the market.

But it is not only at the early stages of the business life cycle that fee flexibility is required. Concessions are often awarded for long periods during which business conditions can change dramatically. What might have been a fair market price at the outset of a concession may no longer be so once circumstances have changed (for better or for worse).

Many concession contracts—especially long-term arrangements—therefore provide for periodic reviews that allow fees to be adjusted to changing market conditions. If properly structured and administered, this process protects the interests of both parties to a concession contract by providing a fair and predictable mechanism that allows prices to adjust to shifts in market conditions. Unilateral fee adjustments at the discretion of either party should clearly be avoided. Provisions for fee reviews should be spelt out in the concession contract, which should specify the frequency of reviews as well as the mechanisms for fixing new fees and breaking deadlocks (refer to Chapter One). In general, the revised fee should be mutually agreed between the parties as if they were negotiating a fee for a new concession; failing which, the matter should be settled through independent expert arbitration. Box 6.7 provides an African example

of the need for fees to be reviewed at regular intervals.

Regular fee reviews rooted in contract and due process are an important mechanism for ensuring that concession prices remain market-related. But many protected area agencies—especially in developing countries—lack the expertise and capacity required to renegotiate fees at regular intervals. For many of them, the day-to-day administration of concessions already poses a major challenge, and taking on the additional responsibility of regular fee reviews is simply unrealistic. In such circumstances, it may be advisable to forego regular market-linked reviews in favour of simpler mechanisms such as inflation-indexed escalations that, while not ideal in well-resourced settings, are less burdensome to administer.

Assessing business plans

A business plan from a concessionaire outlines the financial nature of the business, its development, the sales and marketing strategy and the profit and loss statement. Reading and evaluating business plans is a skill all concession staff (plus any consultants employed by concession units) must develop if concessionaires are required to provide them.

Some concessionaires produce good-quality business plans; others do not. However, it is not enough for concession staff to just to look at the detail in a business plan; they must also develop the skills required to interpret plans accurately. For example, some operators will over-inflate figures in their plans with the aim of creating a good impression—but are their figures realistic and achievable?

Business plans come in all sizes and standards. But the critical information they must provide includes:

- Shareholding and ownership—it is critical that the protected area agency knows who owns a business granted a concession, who controls it and who will therefore benefit from it.
- Market demand analysis—estimates for demand including best-case and worst-case scenario in

addition to the specific estimate. Analysis should include:

- Operational Performance. Provide projected utilization statistics for each service and demonstrate how this proposed operation compares to:
 - Competitive services in the market.
 - Competitive services in the Protected area, if any.
 - Industry standards.
- Visitation. Describe how visitation to the local and regional market and the protected area will affect utilization of concession operation.
- Seasonality. Discuss the seasonality of the proposed operation and how it affects utilization and compare to the market and industry standards.
- Other services in the market. Identify and describe other services the market provides that may compete with the proposed operation. Include a discussion on how providing similar services within the protected area will affect local operators.
- Developments. Identify and describe the effects of any planned out-of-protected area and in-protected area developments that might affect the new concession contract.
- Financial Information relating to all costs and revenue, for example:
 - Rates for all revenue departments using the demand estimates. Proposed room rates or rack rate (what will be charged to the customer) and the achieved rate (the rate obtained less tax, tourism marketing levies and sales commissions).
 - Projected occupancy for each year. The Namibian average is around 55%, while in the USA it is about 68% for a mid-scale hotel. It generally takes a new operation 3–5 years to reach this point. Is the operator's plan realistic? In one business plan evaluated by the author, the tender application projected an occupancy rate double the known number of visitors to the protected area in the first year! This looked good and may have been realistic after 5 years, but not in the first year.
 - Projected value of sales beds, tours and extras such as food and beverage, gifts and tours.

- Departmental expenses, including the labour expense. The numbers of staff and the concessionaire's proposed wages bill should also be included, as these details can provide information on how the concession may contribute to economic benefit or empowerment in the country overall and local communities in particular.
 - Proposed capital expenditure—is it realistic, does the company have the money, will they borrow it and can they afford the repayments?
 - Proposed marketing expenditure—without marketing, a business will not survive. Experienced operators know this and budget for it. Also, what sales commissions will they pay?
 - Maintenance and depreciation costs for the infrastructure.
 - The concession fees they propose to pay to the protected area agency and details of any benefits to local communities. This should be based on a bed night rate or percentage of income for a lodge or campsite business, or a per person rate for an activity-based business such as 4x4 touring or horse trekking. In both cases it should be approximately 10–12% of gross turnover less tax and the tourism marketing levy. Remember that it is acceptable for the operator start at, for example, 6% and to work up to 10–12% if they are starting from scratch or have had to recapitalize.
 - The business plan should specify a proposed, minimum annual payment to the protected area agency.
 - If local community empowerment outcomes are being sought from the concession, then the business plan should also contain evidence that the concessionaire is properly budgeting for them, especially:
 - How many jobs will be created.
 - Training budgets for staff.
 - Benefit distribution plan from the communities if they are beneficiaries.
 - Income derived by secondary businesses (e.g. provision of laundry services or the supply of firewood).
- If a tender is being run or a protected area agency is considering a large-scale application or the agency's concession unit has concerns about a particular business plan, then the concessionaire needs to be asked to explain the details. Also, concessions staff should be able to seek advice from an independent accounting expert (but definitely not another operator).

Case study: What to look for when assessing proposals—key issues effecting lodge viability in Namibia¹⁷

Understanding this information is helpful for concession staff when they are assessing proposals and business plans from existing or potential concessionaires. This information, given in Tables 6.2 and 6.3, is not exhaustive and does not replace the experience that comes from running a business or assessing business plans over many years; however, it will help concession staff and others to at least start untangling business plans.

¹⁷ Much of this material has been adapted from draft joint venture guidelines produced by Andee Davidson from WWF in 2008 in Namibia. For further information refer to: Tips for joint venture partnerships in tourism: a handbook for building local partnerships between private operators and conservancies in Namibia. <http://www.nacso.org.na/dwnlds/refs/WWF-MET%20JV%20Booklet%20low%20res%202011.pdf> (accessed July 2014).

Table 6.2: General factors affecting concession viability.

Broad factors	Detail
Capital cost	<ul style="list-style-type: none"> • Size of lodge—number of beds • Rack rate¹⁷ (market segment) • Quality of construction/fittings/design • Availability of capital funds • Leasehold/agreement duration
Operational growth	<ul style="list-style-type: none"> • Occupancies proposed • Growth in occupancy • Increase in prices/costs (inflation) • Rack rate • Achieved rate (commissions and deductions) • Marketing plan—access to tourists. • Links to existing operators
Track record	<ul style="list-style-type: none"> • Existing or new operator? • Existing or new business? • Overseas or external investor • Experience in tourism industry • Partnerships/management contracts
Company structure	<ul style="list-style-type: none"> • Large multinational company • Small family/consortium (lifestyle) • Shareholders—expectations • Investment company or operator
Location	<ul style="list-style-type: none"> • Proximity to main attractions • Accessibility—main routes • Exclusivity/remoteness • Cost of transport/supplies • Competition with existing operations • Potential for further expansion
Empowerment	<ul style="list-style-type: none"> • Number of staff • Staff conditions • Staff skills development • Working relationship • Procurement—services and supplies • Community involvement in joint venture
Environment	<ul style="list-style-type: none"> • Legal requirements • Design features • Appropriate technology • Vehicle management • Contribution to conservancy

Table 6.3: An example of financial information to look for in a business plan for accommodation facilities in Namibia.

Main issue	Details
Market sectors—capital development cost	<ul style="list-style-type: none"> • Small up-market (12–24 beds) N\$10–16 million • Large mid-market (48–100+ beds) N\$15 million+ • Small mid-market (16–24 beds) N\$3–5 million
Access to capital	<ul style="list-style-type: none"> • Does the operator/investor have access to adequate capital? (If not, this could hamper the speed of development and initial operations.) • Is the capital a commercial or private loan? (Commercial loans could add further costs to the operation.)
Ratio of capital to product	<ul style="list-style-type: none"> • Is it the right amount for the proposed product (market sector, size, rack rate, etc.)?
Rack rate	<ul style="list-style-type: none"> • Up-market N\$1200–4000+. • Mid-market N\$500–1200. • Low-market N\$200–500.
Operational cost	<ul style="list-style-type: none"> • Are costs realistic in relation to proposed product (Number of staff, maintenance, replacement etc.)? • Does the operator have 'economies of scale' (other e.g. lodges in same area that would allow costs savings)? • Are annual cost increases in line with inflation? • Are all operational costs shown?
Operational/growth	<ul style="list-style-type: none"> • Occupancies • Break-even occupancy rate • Existing operators with market links will get higher initial occupancy rates and occupancies will grow faster. • New or inexperienced operators without strong marketing links will get lower initial occupancies and occupancies will grow more slowly. • Increase in prices/costs (inflation)—Note average over past 2 years has been around 10%. • Achieved rate (commissions and deductions)—average commission is about 25–35%. With VAT and NTB levy* this can be as much as a 40% deduction from the rack rate. • Marketing plan—5% capital cost at start up and 5% of annual turnover thereafter. Will depend on whether lodge is part of a group or a standalone.
Conservancy (community) income from the joint venture	<ul style="list-style-type: none"> • Proposed method of payment to the conservancy (e.g. percentage of turnover, bed-night levy, fixed rental etc.). • Rate at which this payment increases annually. • Minimum guaranteed payment. • Proposed deductions e.g. Commissions, discounting, VAT, NTB (total % deductions) • Method of payment (e.g. fixed monthly fee, variable monthly fee, quarterly payments). • Method of calculation of above fees.
*In Namibia, VAT is government tax and the NTB is a tax for tourism marketing purposes.	

Case study: Concessions revenue management in Namibia¹⁸

If an agency does its revenue management correctly, then concessionaires will generally conform to other contract requirements. Correct management of the money side of a concession operation sends a signal to operators that the contract is being actively and professionally managed, so good revenue management is about more than just earning money—it is also the primary way of ensuring compliance with concession terms and conditions. Concession staff must ensure that:

- All concession payments are tracked through their own cost centre code so they can be identified, verified and reported.
- A record is kept of payments made by concessionaires and monthly updates are obtained from finance.
- New operators are checked to ensure they are paying when they should and the amount they agreed to. It is important to get new operators into this habit.
- Monthly and annual revenues match or exceed those achieved in the previous year. Note that revenue should generally increase as more concessions are awarded, so there should be an upward trend in the amount received.
- If there are any shortfalls, larger operators should be checked first.
- Top-paying operators are identified. They should be looked after, but should also be monitored to make sure their payments are consistent.
- Every six months, payments made are reconciled against the database of approved operators to ensure that all operators are paying as and when they should.
- In the event that someone has not paid, the three reminder system is instigated:
 - First letter: politely remind them and give 20 working days to pay outstanding fees
 - Second letter: remind them more firmly, advising that non-payment is a material (substantive) breach of the concession and give a deadline of 10 working days to comply.
 - Third letter: advising that non-payment is a material breach of this concession. That the agency is forming a view toward terminating this concession in 10 working days unless payment is received immediately.
- Audits are received if they are required (check the contract). Some concessions (e.g. for lodges in Namibia) require the operator to submit (at regular intervals) an audited report of income and expenses to the protected area agency. These reports must be reviewed and requested if they are not provided. Things to check for include mistakes in how the concession fee is calculated (e.g. percentage of net revenue (after expenses and VAT) rather than gross revenue (before all expenses are deducted)).
- In extreme circumstances, if it is suspected that false returns are being provided, an independent audit of the operator's accounts is obtained.

¹⁸ Abstract from Ministry of Environment and Tourism (2009) Concessions unit induction and training manual. Unpublished report prepared by the United Nations Development Programme SPAN Project for the Ministry of Environment and Tourism, Windhoek, Namibia.

Auditing accounts

In accordance with the terms of the contract (each month, quarter, six months or year), concessionaires should pay the protected area agency the fees they owe under the terms of the concession contract. If the fee is based on a percentage of income or is an activity fee such as a bed night or per person rate (rather than a flat fixed fee), then it may be necessary to audit an operation to ensure the agency is receiving the correct income. Protected areas may consider requiring audited financial statements from certain concessionaires—for example, those with revenues over a certain threshold. Concession contracts should contain a clause which reserves the right to require the concessionaire to submit to an audit at the request of the protected area. The situations when audits are likely to be needed include:

1. Where it is suspected or reported that a concessionaire is under-reporting revenue or activity.
2. Where the revenue stream from a concession is large enough that even minor misinterpretations of the concession fee structure may make a significant difference to the protected area agency in terms of lost revenue.
3. Where there are a number of small concessionaires with similar concessions operating on fee formulas that have a large reliance on honesty, and where random auditing may act as a deterrent to false income reporting.

The law relating to concessions and the contract conditions should make provision for the auditing of accounts by:

1. Ensuring that fully audited accounts or any other records are supplied to the protected area agency, if requested, no later than three months after the end of the financial year.
2. That failure to comply with this request is a material breach of the concession.

When auditing accounts, the key is to focus on the concessionaires' records and accounts and to look for discrepancies within or between them. The following areas should receive particular attention:

- Activity-based records, such as how many

people they guided, transported or had to stay. This information may come from the concessionaire or even from the observations of protected area agency staff.

- Financial data from the concessionaire.
- Interpretation of gross income and what is included and excluded (e.g. have they excluded sales commissions when they should be included).
- Abnormally high fees or commissions paid to any related entity or company (e.g. 40% sales commissions when they should be around 10–20%, or high fees charged by a related transport company that takes people to or from a concession site).

Where reported revenue differs from what is expected or under-reporting of revenue is discovered, it is important to apply the provisions of the concession document to any follow-up actions. In most cases this will be by way of a notice requiring the concessionaire to explain and remedy their default, and the payment of any interest that may be due on unpaid fees. If the situation is not remedied then the concession may be suspended or terminated. The situation with concessionaires defaulting on expected actions is summarized well in the following quote:

“A concessions contract can be viewed as a form of rent; the concessionaire is renting out the use of a PA [protected area] to conduct its tourism business. As with other rental contracts, non-payment or late payment carry various types of penalties. In Chile, a late payment results in a fine of roughly \$600 USD for every late day, from the first day the concessionaire delays payment until payment is made. In Columbia, a late payment requires a daily pay equal to one month's salary.”¹⁹

Concession contracts

All concession contracts must be anchored in domestic law and comply with the legal, policy and administrative requirements of the jurisdictions within which they operate, so the material in this section links strongly to the material presented in

¹⁹ Wyman, M.; Barborak, J.R.; Inamdar, N.; Stein, T. (2011) Best practices for tourism concessions in protected areas: a review of the field. *Forests* 2(4): 913–928.

Chapter One. Many protected area agencies hire lawyers to develop standard-form contracts that provide templates for different types of commercial transactions. Templates developed for short-term activity concessions will obviously differ in length and complexity from those developed for long-term, capital-intensive concessions (such as lodges). A standard-form contract is often made available early in the transaction cycle, with an invitation to bidders or applicants to identify specific variations they wish to modify during negotiations. This is useful because it provides a clear framework for the transaction as well as a procedure to deal with proposed variations²⁰.

Despite considerable differences between countries and jurisdictions, sound contracts share certain basic characteristics: they transfer risk to the party best able to manage it, they clearly outline the rights and responsibilities of each party and they generally contain provisions on at least the following matters:

1. The nature and scope of the concession rights granted to the concessionaire.

This typically includes:

- a. A description of the geographical area covered by the concession;
- b. The works to be performed, if any (including the facilities to be developed);
- c. The services to be provided or the activities to be conducted by the concessionaire, including minimum performance levels (if any), and any associated rights of access, occupation and traverse;
- d. The degree of exclusivity granted to the concessionaire;
- e. The right to charge third parties for the services provided pursuant to the concession contract and any restrictions on the pricing of such sales (such as when a concessionaire is granted a monopoly over retail or restaurant sales in a park); and
- f. Any obligations imposed on the concessionaire to provide discounted access or services to priority groups (such as schoolchildren or local residents).

2. Any conditions precedent to the entry into force of the concession contract.

Park agencies often sign concession contracts with private parties but their entry into force is made subject to certain conditions being met within a specified timeframe (such as the granting of a trading license or the successful conclusion of an environmental impact assessment).

3. The duration of the agreement as well as provisions regarding the renewal or renegotiation and compensation at the end of the contract term.

In general, the duration of first-time concessions is determined by the commercial need of the private firm to make a fair and reasonable return on the capital and expertise invested in the business. Given the wide variation in types of concessions and trading environments, appropriate periods for concessions vary extensively, but the general trend has been towards shorter rather than longer terms. Activity concessions that require little capital investment are typically for short periods, but even recently awarded lodging concessions involving substantial capital investment in well-branded areas such as the Okavango Delta and the Kruger National Park have been for periods of only 20 years.

The practice regarding compensation at the end of the contract term varies from area to area. Some protected area agencies take the view that the concession period should be set to give the business fair opportunity to make a reasonable return on investment and that the fixed improvements should therefore be transferred to the agency free-of-charge at the end of the agreement. Others offer compensation for fixed improvements upon termination of the concession. This is a matter that is best settled based on an agency's assessment of its own needs and capabilities as well as the typical practice in the jurisdiction where it operates. It is important, though, that the selected approach is entrenched in policy and not left to the individual discretion of agency managers.

²⁰ A range of concession contract templates used in New Zealand is available on the Department of Conservation website at <http://www.doc.govt.nz/about-doc/concessions-and-permits/concessions/applying-for-a-concession/pre-application-requirements/#contracts>

4. The nature of the property interests of the parties in the assets of the concession.

The property interests of the parties to concession contracts vary widely from jurisdiction to jurisdiction. In general, ownership of the land and its associated infrastructure remains with the state; often, the concessionaire is simply granted the right to use the protected area (or a portion of it) and certain infrastructure for a defined period without acquiring any ownership interest in the underlying assets.

It is also important to specify intellectual property rights such as ownership of park names and other trademarks (which are generally retained by the protected area agency).

5. The fees payable by the concessionaire as well as the method for fee adjustments and reviews, if any (see discussion above).

6. Any requirements concerning guarantees of performance that the concessionaire may be required to provide (such as the posting of a bond to guarantee minimum service levels or maintenance standards).

7. Any insurance policies that the concessionaire may be required to maintain in connection with its business. This typically includes not only asset but also public liability insurance.

8. A limitation of liability and indemnification of the protected area agency against claims from third parties arising from the activities of the concessionaire.

9. Provisions dealing with damage or destruction of the concession assets due to circumstances beyond the control of the parties (such as *force majeure*). This may also include provisions dealing with major changes in law or other external circumstances affecting the viability of the concession.

10. Provisions dealing with environmental impacts during construction, operation and decommissioning. Managing the environmental impacts of the concession across its entire life cycle is especially important in protected areas (see Chapter

Five). Most contemporary contracts require not only compliance with minimum legislative standards but also ISO-style environmental management systems to be implemented by the concessionaire and monitored by the protected area agency.

11. The right to assign the concession rights to third parties and any associated conditions.

This right is often granted but made subject to the prior approval of the protected area agency. Under such circumstances, the agency can vet the credentials of any assignee to ensure that the latter meets the required minimum standards.

12. Any restrictions or conditions on the transfer of a controlling (or other) interest in the concessionaire.

13. Any restrictions or conditions on related party transactions. This often requires the concessionaire to transact at a distance with any business to which it is related through some form of common ownership. As discussed above, this is particularly important where concession-holding companies paying revenue-based fees are part of larger groups that trade internally between related companies.

14. The obligations of the concessionaire to provide regular reports on its activities, financial performance, sales volumes, etc.

15. The rights of the protected area agency to monitor the concessionaire's performance including the agency's right to inspect the facilities, audit records and monitor service levels.

16. Provisions dealing with the required socio-economic contributions of the concession. This is particularly important in developing countries where concessionaires are often required to train and employ local people, invest in local social projects and buy goods and services from local suppliers (Chapter Two deals extensively with this matter.)

17. The breach and cancellation procedures and remedies available to either party in the event of default by the other.

- 18. Provisions dealing with the settlement of disputes** between the parties (often via streamlined mechanisms such as mediation and/or arbitration).
- 19. The circumstances under which the protected area agency or a designated third party may (temporarily or otherwise) take over the operation** of the concession to ensure uninterrupted operation in the event of serious failure by the concessionaire to perform its obligations.
- 20. Provisions dealing with taxation and other fiscal matters** (such as whether the specified fees include sales or valued added taxes).
- 21. Miscellaneous other provisions**, often of an administrative nature, regulating the relationship between the parties.

Contract administration

Any protected area agency embarking on a concession programme must ensure that it has the capacity and skills not only to plan, price and negotiate concessions but also to manage the resultant—often long-term—contracts and revenue streams. Concessions must support conservation

and generate net gains for protected areas. This requires careful initial planning and the capacity to manage compliance, as well as the administrative systems to track both the income **and** the associated costs incurred by agencies. Many protected area agencies—even in industrialised countries—do not have adequate systems in place to do this and are often unaware of the true costs of concession monitoring and revenue collection²¹ The future administrative burden imposed by a concession agreement, including any given fee formula, should be carefully assessed during the initial planning and tailored to each agency's organizational capacity.

Many protected area agencies have established dedicated business units to develop and manage productive partnerships with the private sector. When, for example, Namibia launched its concession policy in 2007, it also started to establish the administrative capacity to implement the new programme. To be successful, such units must be properly funded, business-like and run by skilled and innovative staff who operate and report at a high level within the organization. Failing to do so, can result in poor deal-making and contract management; at worst, it can impose net losses, gross non-compliance by concessionaires and a collapse of confidence in both the agency and the private sector.

SUMMARY

Financing protected areas is challenging and concession income can be one important conservation finance mechanism. However, this chapter has tried to emphasize that it is important for protected area agencies to build a diverse funding portfolio. The tools section below outlines additional resources on sustainably financing protected areas.

The value of a proposed concession should be understood **before** it is offered to the market and this chapter has outlined a variety of methods that can be employed to ensure this, depending on the needs and circumstances. Competitive public offerings are the most accurate means of establishing market value, but they are not always appropriate or viable. Protected area agencies can also respond to innovative applications that support their areas' priorities by negotiating a fair price based on prior valuation of the opportunity. This chapter has presented a range of fee formulas available to agencies, examples have been given and these are based on fees that are a) revenue-linked, b) based on a per unit, c) fixed fee mechanisms, or d) a combination of these. Each of these methods has its own strengths and weaknesses.

Practical advice has also been given in this chapter on auditing a concessionaire's accounts, should this prove necessary.

²¹ Hughes, M. (2008) Good practice user-pays systems for protected areas. Cooperative Research Centre for Sustainable Tourism, Gold Coast, Australia.

While concessions need to bring net gains to protected areas, they are about more than just revenue and it is up to each agency to determine the trade-offs between the financial, environmental, developmental and other returns it seeks from its concessions and to communicate these clearly to its prospective partners.

Concession contracts vary widely from jurisdiction to jurisdiction. Protected area agencies should develop procedures and standard-form contracts rooted in domestic law that clearly outline the rights and responsibilities of each party, but covering certain basic elements that characterize good practice everywhere. The final point made in this chapter is that strong, efficient and business-like institutions that are transparent and accountable are needed to negotiate and manage the contracts and revenue streams associated with concessions.

ACTIONS

1. Proposed concessions should be valued using methods appropriate to a protected area agency's circumstances before they are offered to the market.
2. The trade-offs between the financial, environmental, developmental and other returns from a given concession must be determined and communicated clearly to prospective concessionaires.
3. Agencies must ensure that new concessions bring net gains to protected areas by considering benefits and costs during the planning stage.
4. Competitive public offerings should be used, where possible, but it is important to keep in mind that they are not always appropriate or viable.
5. Protected area agencies must develop the capacity to respond to innovative applications.
6. Agencies must determine the fee formula that best suits their circumstances.
7. Standard-form contracts and procedures rooted in domestic law but covering the basic elements that characterize good practice everywhere should be developed.
8. Agencies must build the institutional and human capacity needed for successful concessions across all the stages of the transaction cycle.
9. Agencies must cultivate political support for concessions by demonstrating to government and the public that protected areas make money and deliver other public benefits and that with further investment they can often generate an even more income for both conservation and the government.
10. Agencies must avoid over-reliance on concessions income by building diverse funding portfolios.
11. Finally, corruption must be avoided!

TOOLS

This section provides details of resources available to help in the development of concession operations.

ProPoor Tourism

The ProPoor Tourism library is available at: <http://www.propoortourism.info/Library.html>

Ashley, C.; Mitchell, J.; Spenceley A. (2009) How to assess the potential of a viable inclusive tourism intervention? Guidelines. International Trade Centre.

Booth, V.; Nangale, G.; Majamba, H. (2002) Procedures for communities to enter into joint ventures in WMAs. Tanzania Wildlife Discussion Paper No. 31. Baldus, R.D.; Siegel, L. (Eds). Ministry of Natural Resources and Tourism, Dar Es Salaam, Tanzania,

Concession conditions

For a summary and examples of how 22 countries consider concession qualifications, legal, financial environmental and social responsibility in their concession contracts, refer to Wyman, M.; Barborak, J.R.; Inamdar, N.; Stein, T. (2011) Best practices for tourism concessions in protected areas: a review of the field. *Forests* 2(4): 913–928.

Financing protected areas

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Font, X.; Cochrane, J.; Tapper, R. (2004) Tourism for protected area financing: understanding tourism revenues for effective management plans. Leeds Metropolitan University, Leeds UK. http://assets.wnf.nl/downloads/pay_per_nature_view.pdf

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Emerton, L.; Bishop, J.; Thomas, L. (2006) Sustainable financing of protected areas. A global review of challenges and options. Best Practice Protected Area Guidelines Series No. 13. IUCN, Gland, Switzerland and Cambridge, UK. 97 p.

WCPA (2000) Financing protected areas: guidelines for protected area managers. Best Practice Protected Area Guidelines Series No. 5. IUCN, Gland, Switzerland and Cambridge, UK. 58 p.

Training

Module 11 Sustainable finance for protected areas. www.conservationtraining.org Convention on Biological Diversity

Join

The Conservation Finance Alliance at <http://conservationfinance.org/library.php?categoria=1>

Grand Teton National Park Colter Bay Village campground office. Photo: Doug Hawthorne NPS



Accommodation services like these in Puyehue National Park, Chile are currently run by the park service. However, they can often be run more effectively by the private sector under a concession arrangement with the park authorities.



Introduction

How do you know that concession activities are not adversely impacting a protected area? Could new business opportunities be established? How can the credibility of a concession system be maintained when authorized operators adhere to their contracts and pay fees, but illegal operations are not promptly addressed? How does a protected area agency inform the public of the size, scale and benefits of the concessions it manages?

This chapter demonstrates how these questions can be addressed through monitoring activities. It provides: 1) background information, advice and support on how to carry out and prioritize monitoring activities, 2) practical tools for monitoring and inspecting concession activities and 3) guidance on how to address illegal operations as well as collecting and distributing information on the concession function. Finally, a range of impact reduction strategies are also presented.

There are three types of monitoring associated with concessions activities and all three are vital for ensuring that protected areas meet their core goals of protection and sustainable use. The three monitoring types are:

1. Impact monitoring—measuring the effects of commercial activities on the natural environment or on other recreational users.
2. Compliance monitoring—ensuring that concessionaires are operating according to their concession contracts or (and perhaps just as importantly) dealing with businesses operating illegally (i.e. without a concession).
3. Activity and administrative monitoring—ensuring that the activities that concessionaires undertake correspond with those they have been permitted for and reporting on how much commercial activity is taking place. Administrative monitoring is closely linked with operators paying their fees and provides concession staff with the ability to show how concessions contribute to conservation, recreation, community and economic development.

Box 7.1 provides two examples of monitoring carried out to assess how concessions are performing.

Box 7.1: Other performance monitoring

In the USA, the US National Park Service (NPS) monitors an operator's overall performance against contract conditions, including the quality of service offered to visitors and building maintenance.

In Namibia, environmental management plans accompany EIAs to ensure impacts are managed in the planning, construction and operational phases. Inspections are carried out in each phase to ensure conditions are adhered to. Another major monitoring tool is the use of a 'compliance framework', a simplified version of the contract that highlights any compliance issues that are discussed (generally quarterly) with communities that may hold the head concession and with the operator.



When monitoring tourism operations concession staff need to understand how an operation works, especially around power supplies, water take and disposal, sewage, fuel storage and waste management.

Key messages

- Monitoring commercial activities helps to ensure that they are not adversely affecting or over-running protected areas.
- Impact monitoring tests whether predictions made in the planning, EIA and award processes were correct; so lessons learned from monitoring need to feed back into the planning, EIA and concession awarding cycles.
- The rigour of the entire concession system will be at risk if protected area managers are unable to deal with illegal operators.
- Dealing with illegal tourism operators is, for the most part, relatively easy and straightforward.
- Monitoring existing operations is a great way for protected area agency staff to better understand their concessionaires' businesses, to build relationships, discuss future development plans and look at the potential benefits of working together.
- It is not possible, or necessary, to monitor all activities. Protected area managers need to determine what should be monitored based on where information is most needed to inform decisions around planning and allocation.
- Accreditation schemes may assist protected area managers to independently monitor the performance of concession operators, but many quality assurance schemes do not align with the objectives of protected area agencies' concession systems, so their use is often limited.
- Collecting and disseminating information on the size and scale of their concession business is vital for protected area agencies, as it helps to support good decision-making, understanding of the benefits of the concession function and provides managers, stakeholders and political figures with confidence that the concession function is well managed.

Discussion

Protected areas are, by their nature, usually unspoilt and uncrowded. Visitors learn about and enjoy these natural areas while participating in a wide range of activities from hiking to heliskiing, rafting to fishing, mountain climbing to sitting on beaches, caving to photography. Visitors also undertake wildlife tours, take scenic flights, go skiing and stay in hotels. These recreational activities may be undertaken independently or by using the services of a concessionaire. A range of individual benefits accrue from these visits, including relaxation, fitness, health and social interaction. These spin off into wider societal benefits, including economic development, employment, financial support for the protected area system and support for further conservation initiatives.

However, when demand for new business opportunities is high or targeted toward sensitive

areas, concession activities can threaten the very values that protected area staff are charged with protecting. Biophysical impacts may occur on the ground, on vegetation, rock or cave formations or on wildlife. Social impacts such as crowding or intergroup conflict can occur at sites, ultimately degrading the quality of the visitor experience. Impacts must be managed to ensure concession activities remain an asset to the protected area and do not become a threat.

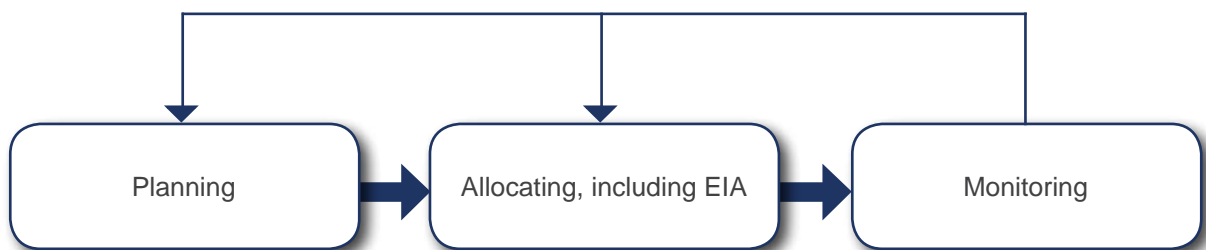
It is also very important to be able to determine whether business activities should be allowed to grow or whether new activities can be developed. By monitoring impacts and activities and inspecting operations, protected area staff can help provide confidence that these activities are well managed and can address adverse impacts, should they arise.

Monitoring is a vital element of any effective management system. Protected area agencies expend considerable effort and resources each

year to provide visitors with opportunities to enjoy and appreciate protected natural areas. Monitoring the outcomes and effects of this effort is often overlooked and under-resourced. Without monitoring, managers will be unable to determine whether 1) they are meeting their management objectives or the planned outcomes for particular sites or activities, 2) their visitor programme is effective, or 3) the quality of the visitor experience remains high or is being degraded.

In the concession area it is easy to over-focus on the planning and allocation areas of the work. However, it is also vital to check whether the desired outcomes for the protected area are being achieved. All three types of monitoring should feed back into the planning, EIA and allocation process, which can be conceptualized as shown in figure 7.1. The concession system should be designed so the links are systematic.

Figure 7.1: Diagram showing how concession monitoring links with planning and allocating concessions.



Impact monitoring—measuring change over time

“While management experience is an important element of decision-making, the results of systematic monitoring provide a more defensible basis for management actions.”¹

The above quote is especially true with respect to commercial operations, where jobs, businesses and livelihoods are affected by management decisions made by protected area agencies.

Protected area managers make decisions every day about concessions and what activities are acceptable and what may not be. Good-quality information from monitoring programmes is required to inform many of these decisions, especially at locations that are coming under increasing pressure from tourism activities and when peoples’ livelihoods, their businesses and jobs in local communities are at stake. If ad-hoc decisions are

made, in many cases they will be challenged; however, if concessionaires are included in the monitoring process they will often buy into the results and help to develop potential solutions.

The relationship between concessionaires and monitoring has some special qualities. It is potentially altruistic on the part of the concessionaires, as their monitoring efforts may result in limits being imposed on their activities. Concessionaires and protected area agencies can assess likely impacts through applying EIA procedures. Concession terms and conditions can then be set to limit impacts, monitoring can be made a condition of the concession and used to check the accuracy of the EIA predictions. Conditions on concessions to mitigate serious, unforeseen impacts can be implemented at almost any time. Generally, the ability to minimize visitor impacts through concession agreements is much more direct and can be more effective than management actions aimed at minimizing the impacts of general public use of the same area.

¹ Eagles, P.J.; McCool, S.F.; Haynes, C.D. (2002) Sustainable tourism in protected areas: guidelines for planning and management. Best Practice Protected Area Guidelines Series No. 8. IUCN Gland, Switzerland and Cambridge, UK. 183 p.

Why undertake impact monitoring?

Management experience, stakeholder involvement, concession processes and robust plans are all important parts of decision-making. However, systematic monitoring provides good-quality information upon which to base decisions. It then provides a means of testing the effectiveness of these decisions. The decisions that need to be taken by managers should determine what monitoring is required.

Without data on conditions or trends, managers will not be able to respond to criticisms or concerns from the public or concessionaires. Decisions and plans will be based on subjective opinions rather than robust information, which may then

leave them open to challenge and review. Monitoring contentious visitor or concession issues allows managers to be proactive and will save considerable time and effort over the long term. Debates with communities, NGOs and the tourism industry on the appropriate level of use can become circular. Monitoring provides one way of helping to obtain good-quality information on an issue and can resolve some of the emotive issues, assisting all parties to understand and agree on what the impact is and whether it is significant. Once this is understood, everyone can then focus constructively on potential solutions.

The following case study illustrates how monitoring significantly contributed to better management of aircraft activities in Aoraki/Mount Cook National Park, South Island, New Zealand.

Case study: Monitoring aircraft activities in Aoraki/Mount Cook National Park

During the early to mid 1990s, significant concerns were raised over the impact of aircraft noise on other ground-based recreationists in Aoraki/Mount Cook National Park, New Zealand.

The main players—aircraft company managers, Department of Conservation (DOC) staff and stakeholders could not agree on the severity of the issue. This resulted in considerable debate, but with no real direction, so that issues were generally left unresolved.

Over this period, DOC commissioned the development of an aircraft monitoring method to determine precisely the degree of impact of aircraft on visitor experiences. The method was based on a social science survey of visitors to the Tasman Valley where the aircraft flew overhead. Importantly, a detailed literature review supported both the method and a threshold that could be used. The monitoring tool developed was simple, robust and relatively easy and cost-effective to implement. It could be used repeatedly over time at the same site or applied consistently over different sites. The results it produced were deliberately not technical, so all stakeholders could easily interpret its findings. Importantly, the monitoring tool contained well-researched thresholds, so if 25% or more of visitors to an area indicated that they were annoyed by the presence of aircraft, then the threshold was breached. Once the threshold was breached, action was required to reduce the impacts of aircraft.

The method was jointly implemented between the aircraft industry (which resourced its implementation) and DOC, which organized and oversaw the implementation of the monitoring survey.

The results of the first survey demonstrated that recreationists in the Tasman Valley had concerns about aircraft, but no thresholds had been breached. Despite this, the aircraft operators acted responsibly, altering flight paths and reducing engine revolution settings over the most affected visitor

site. They went on to develop a code of conduct for flying in the park and engaged readily in DOC's management planning processes for Aoraki/Mount Cook and Westland National Parks.

The noise monitoring tool has subsequently been applied at other locations (as shown in Figure 7.2) and continues to inform management decisions today.

Monitoring should be **systematic**, based on predetermined indicators and limits of acceptable change. It should be **periodic** to detect change over time¹. Ideally, **baseline** conditions will have been established and monitoring will test whether there have been any changes to these. Visitor impact monitoring can assist managers to:

- Balance the dual mandates of conservation and use.
- Formulate and review management plans and strategies.
- Determine the success or otherwise of changes to the management of a location or an activity.
- Make robust decisions and support concession-related decisions, especially in situations where limits are being introduced or approached.
- Ensure the visitor assets and interpretation provided satisfy visitors and reach their target audiences.
- Assist stakeholders and protected area agencies to resolve issues by providing good-quality information for decision making, rather than speculation and subjective views from opposing parties.



Scenic flights are a popular concession activity but aircraft use needs to be planned and monitored carefully as the noise from aircraft can adversely affect the recreation experience of others

Another benefit of involving concessionaires in impact monitoring is that they can (and should), contribute financially to monitoring programmes—at least in part—because their activities rely on the resources being monitored.

For concession staff, getting on site to learn about and monitor or inspect concession operations is a great way to improve working relationships with concessionaires. Most concessionaires appreciate visits from staff, since it gives them a sense that the agency

understands their businesses. Monitoring provides the concessionaire with time to learn from staff about what sensitive conservation values are present and it provides staff with time to learn about operational issues and the effects of concession activities. This, in turn, helps staff to better plan for concession activities in other locations, audit EIAs and draft contract conditions.

Monitoring will not always be negative for concessionaires. There are many examples where it has helped to disprove concerns about perceived levels of impact. Concession activities have then been able to expand under informed, controlled conditions. The case study below highlights how monitoring has helped one concessionaire to save money, expand their operation and become involved in conservation.

Case study: Monitoring the Speight's Coast to Coast multi-sport event

The Speight's Coast to Coast multi-sport event involves people running, cycling and kayaking from the West Coast to the East Coast across the width of the South Island in New Zealand. As part of the course, competitors run through two valleys and traverse a pass in Arthur's Pass National Park. When a concession for this event was first considered over 20 years ago, this new type of multi-sport activity in a national park was very contentious. Many submissions were received from the public and hearings were held. While the concession was approved, a rigorous monitoring programme was developed and independently implemented.

Monitoring consistently demonstrated no significant impact of the event on the physical and social environments of the park, so the concessionaire was allowed to increase the number of competitors participating in the event each year (from 600 to 1000 over 5 years).

When minor effects were detected, the concessionaire and the Department of Conservation (DOC) agreed on how best to address them and both parties followed through on these actions. The minor effects were mitigated before they became significant.

After the original five-year concession expired, a new concession was considered. A report was prepared by the concessionaire comparing the cumulative impacts of the concession over the preceding five years. This report was made publicly available and provided excellent information upon which to base a decision about the future of the event. A ten-year concession was subsequently granted. There were no submissions or hearings (unlike the first time around), partly because the public could see that the impacts of the activity were being measured and monitored. Even though the cost of monitoring the event was not insignificant, it reduced the cost of reconsidering the concession and ensured that the business had a long-term future.

Effective monitoring relies on the use of good indicators. Indicators help monitoring to measure change over time in a constant and consistent way. Examples of indicators include visitor satisfaction, crowding, annoyance from over-flight of aircraft, track widening or track depth. Indicators should be selected on²:

1. Their relevance to the selected issue
2. The feasibility of obtaining and analyzing information on the indicator (including cost)
3. The credibility of the information provided by the indicator and its reliability for users

² UNEP & WTO (2005) Making tourism more sustainable: a guide for policy makers, France.

4. Their clarity and ease of understanding
5. Their comparability across time and over locations

When working with concessionaires, points 2 (cost) and 4 (clarity) are very important. Monitoring should not be a complex activity like research; results should be easy for everyone to understand and cost effective to produce.

Where, when and how often should monitoring be done?

Time and resources do not permit monitoring at all sites or for all activities, nor should it be necessary. Monitoring efforts must be targeted at specific management information needs and these needs will be driven by decisions that need to be made. Monitoring without a purpose is expensive and unlikely to be justifiable in any context. This section helps to define where, when and how often to monitor and suggests that monitoring requirements may best be prioritized through the development of a monitoring plan.

Where to monitor?

Answering the following questions should give an indication of where impact monitoring programmes will be necessary:

1. Locations where problems are acute, where stakeholders, visitors or staff have already highlighted concern or where concessions have been declined. These may include:
 - Sites where activities, visitor numbers or impacts are growing rapidly, or are approaching or have reached a limit.
 - Places where specific and important conservation values are being threatened, or may be threatened.
 - Sites where stated outcomes are unable to be delivered because commercial use has already changed the nature of the area (e.g. the visitor experience has changed from a remote experience to a busy front country experience).

- Sites where a new activity has just started, given that the initial impact is often worst during this first phase of use (e.g. the building of a new safari lodge, or the opening of a new rock climbing area or cave system).
2. In areas where a protected area agency wishes to expand commercial activities and needs to test if this is feasible, as well as to establish a baseline for testing where the new activities may have detrimental impacts.
 3. Locations where new management actions are being implemented to enhance or alter the visitor experience or mitigate impacts on conservation values.
 4. For concession activities where allocation mechanisms are being proposed to deal with situations where demand is exceeding supply; or situations where concession activities are being reduced or limits are being proposed.

When deciding to start a monitoring programme, it is important to consider the surrounding environment. Other environmental factors can be important. Land use upstream of a cave system, for example, is likely to have a greater impact on the caves' water quality than well-managed visitors.

When monitoring at a specific site, it is also important to obtain quantitative data on how visitors use the site. For example, if the intention is to measure crowding, it is important to know how many people visited the site. While there is rarely a direct correlation between visitor use and visitor impacts, the visitor use data provides important contextual information that will be useful when monitoring is repeated and will aid discussions on how to avoid, remedy or mitigate impacts.

When to monitor?

The key factor that determines when monitoring is needed is a management issue or question that requires information. Most visitor management issues arise from the peak periods of visitation and commercial use, since this is when the sites, facilities, activities, experiences, vegetation or wildlife are under the most pressure. This is when damage to the visitors' experiences or the natural environment is most likely to occur, so it is during this period that information should be gathered.

1. **Social indicators**—If indicators such as crowding, conflict or visitor satisfaction are being monitored, then monitoring should be carried out when the location is most under pressure. This will be over the peak season or when dissatisfaction of one sort or another is likely to occur. This is also when an area, initially through word of mouth, will gain a bad reputation (e.g. as being too crowded). If these peaks in activity are monitored and effectively managed, then visitors are likely to have high-quality experiences during the remainder of the year.
2. **Physical impact**—Monitoring tends to take place at a regular time of year, normally near the end of the peak season. With regards to some sporting events, monitoring takes place before and then 30 days after the event. The 30-day period allows minor impacts to settle while more significant impacts will still be evident and measurable.
3. **Wildlife monitoring**—It may be more important to manage visitor interactions during sensitive periods (such as the breeding season) or a particular time of day (such as when animals are resting and should not be disturbed).

Limitations of monitoring and when not to monitor

Monitoring can provide managers with good-quality information on which to base decisions and plan for the future. It can assist managers and stakeholders to work together to resolve issues. However, monitoring on its own cannot resolve issues without some form of management 'intervention' to avoid, remedy or mitigate the impact being monitored.

Monitoring is not research. Monitoring measures change over time. Research focuses on a particular issue in order to understand the issue and its relationship to other environmental or social parameters. Research is often an in-depth snapshot in time, but monitoring provides a brief snapshot across time. The development of monitoring tools is generally informed by research.

Experience has shown that resolving most visitor use issues requires engagement with, concessionaires, local communities and NGOs. Monitoring cannot build these relationships for managers. However, it can focus on an issue of concern, allowing interested parties to work together objectively.

Monitoring cannot substitute for good planning, facility provision, robust environmental impact assessment procedures or sound concession award processes. Monitoring complements these other management functions, but all are needed to successfully manage concession activities in protected natural areas.

There are certain times when monitoring should not be undertaken, including when:

1. It is easier and more cost effective to mitigate the impact than it is to monitor it.
2. There is no management need for the information; i.e. is monitoring necessary? Is there a real issue that needs to be resolved?
3. The effect or impact of monitoring may be worse than or equally as unacceptable as the visitor activity or behaviour being monitored.

The example in Box 7.2 provides a practical example of when not to monitor (as it is more cost effective in this case to mitigate the impact than to monitor it).

Frequency of monitoring

Monitoring is about measuring change over time. Monitoring an impact once will give managers a valuable snapshot of conditions at a particular time. However, repeating the method after a period of time has elapsed will help to determine whether a given issue is getting better or worse. If it is

Box 7.2: When not to monitor—an example from the Spiegths Coast to Coast event

In the early days of this multi-sport event, runners followed a walking track through a section of river that was known to be breeding habitat for endangered whio (blue duck). In order to avoid winter conditions, the event had to take place during the chick fledging period. While the event was just one of a number of factors impacting whio (others included predation, water quality and food availability), it was impossible to assess its extent and a specific monitoring programme was devised. However, the small numbers of whio and the low frequency of the event (annually) meant any monitoring or research programme would be incredibly costly and likely to take years to complete. For a fraction of this cost, the concessionaire and DOC (who represented the recreational users of the track) built a new section of track which completely avoided the whio breeding area. Additionally, the concessionaire now sponsors a pest control programme to protect whio in a nearby valley where the population is more viable. The lesson here is to not waste time and resources monitoring an impact if it can be readily prevented from occurring.

possible, establishing a 'baseline' (especially if it can be done before a concession is awarded or an activity starts) is a useful way to assess change over time. A baseline can be established by monitoring annually for 2–3 years before an activity starts. Once monitoring is established, and if the site is not yet close to or breaching any of the indicator thresholds, then the frequency of monitoring can be reduced (say to once every

3–5 years), provided that use levels and other conditions do not change significantly. This will have the advantage of reducing monitoring costs.

However, if a site is continuing to experience problems and monitoring thresholds continue to be breached, then annual monitoring will be needed to test the effectiveness of any ongoing management interventions or the impact of increasing use.

Case study: Development of a monitoring toolkit and the use of consistent monitoring methods

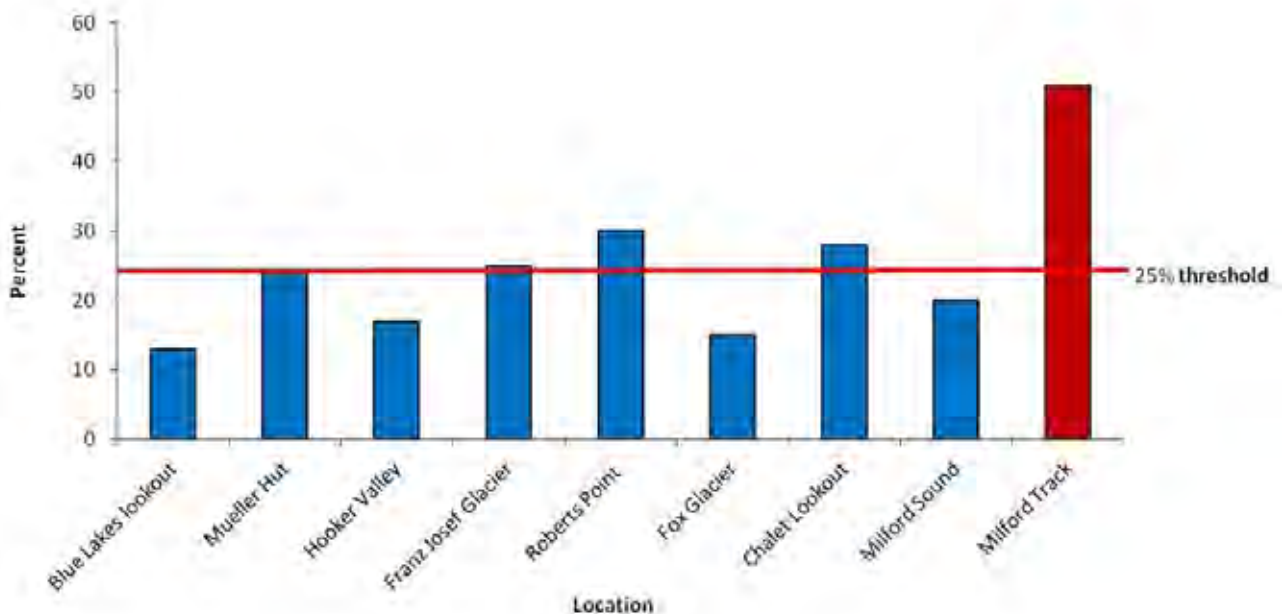
Protected area agencies will find that there is considerable advantage in using consistent, comparable methods across all of the areas they manage. Not only does consistency give managers the opportunity to measure change over time at particular locations, but they can also obtain clear indications of where impacts are most acute so they can then focus management interventions and resources accordingly. In 2006, due to concerns about a rapidly growing tourism industry, the Ministry of Tourism and the Department of Conservation (DOC) in New Zealand partnered to produce a visitor impact monitoring tool kit. The monitoring tools were designed to be used as standalone instruments. Nine tools have been developed that measure a range of physical and social indicators. These tools were presented as standard operating procedures (SOPs) or guidelines that describe how to undertake the specific monitoring programme. As well as the SOP/guidelines, most of the tools contain their own literature review and data collection sheets for use in the field, a spreadsheet for inputting and analyzing data and a report template for presenting and communicating results. Importantly, most of the methods have predetermined thresholds that, if breached, require managers to intervene and take action to reduce the impact.

In addition, a number of other inspection methods for concessions or marine mammal viewing activities were produced. The monitoring methods include:

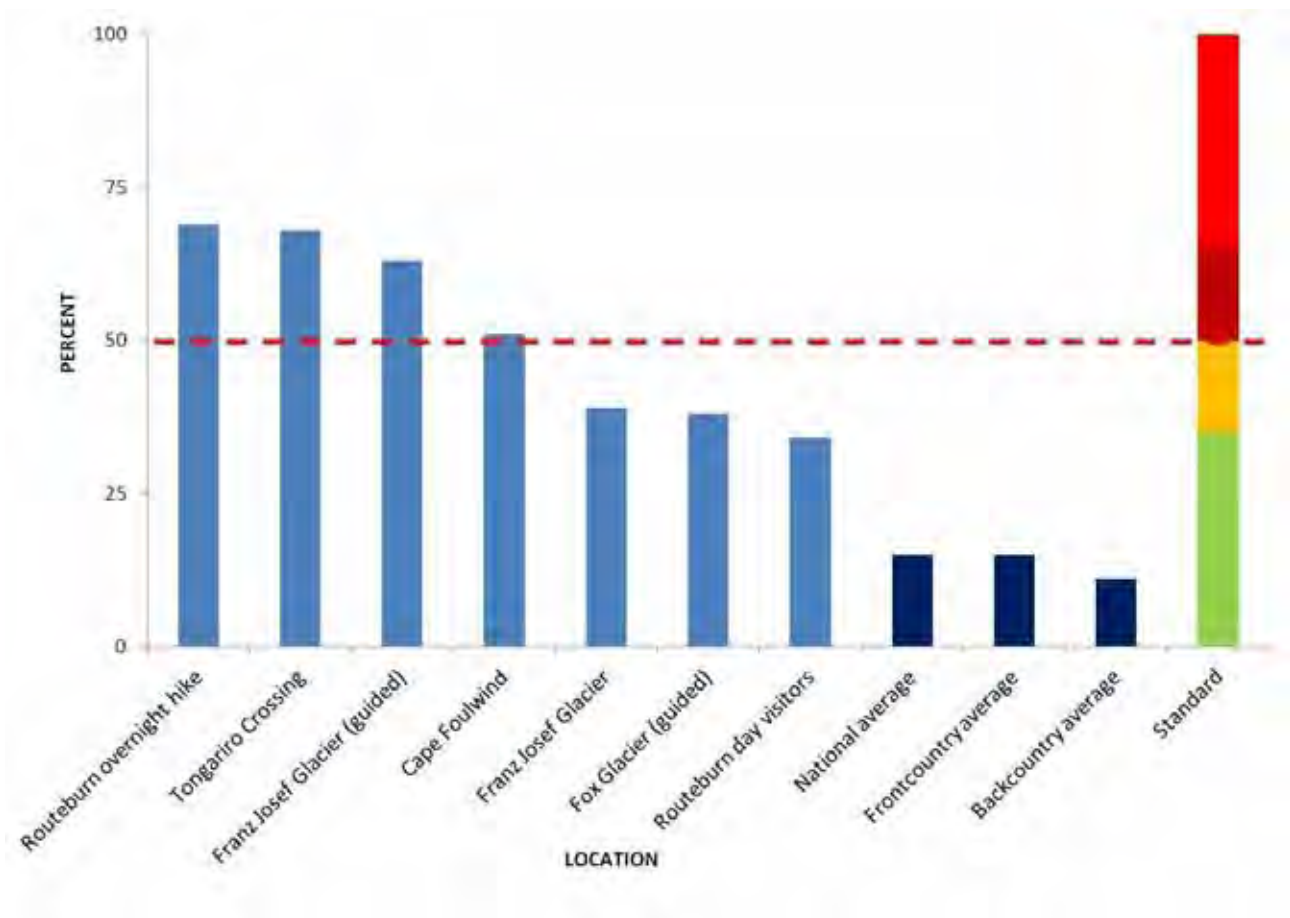
1. Monitoring the effects of aircraft overflights on recreationists in natural settings (referred to in the previous case study above)
2. Social monitoring—measuring the quality of the visitor experience
3. Monitoring the physical impact of visitors on tracks and campsites
4. Photo point monitoring to measure change over time on a particular landscape feature
5. Monitoring the biophysical impacts of rock climbing activities
6. Monitoring the physical impacts of visitors to cave systems
7. Monitoring inspections for marine mammal viewing and swimming operations
8. Undertaking monitoring inspections of ski areas
9. Monitoring inspections for livestock grazing concessions

Figure 7.2A shows the results from consistent application of the aircraft monitoring method across a range of sites in New Zealand. One location (Milford Track) stands out as needing attention since the threshold of acceptable levels of impact has clearly been breached there. The results from the consistent use of DOC's social monitoring tool at a range of locations are shown in Figure 7.2B.³

Figure 7.2: A—Percentage of visitors annoyed by aircraft across a range of sites in New Zealand; B—Results of consistent use of DOC's social monitoring tool at a range of locations.



³ The data in both charts were collected and presented in 2006 and may not reflect the current situation.



By comparing the results of a monitoring programme from one year to the next, managers will be able to determine whether conditions at a site are declining and whether or not management interventions have been successful. Importantly, both of these monitoring tools use predetermined thresholds that are well justified by research and a literature review. These are indicated by the 25% annoyance threshold line in Figure 7.2A and the traffic light crowding monitor in Figure 7.2B.

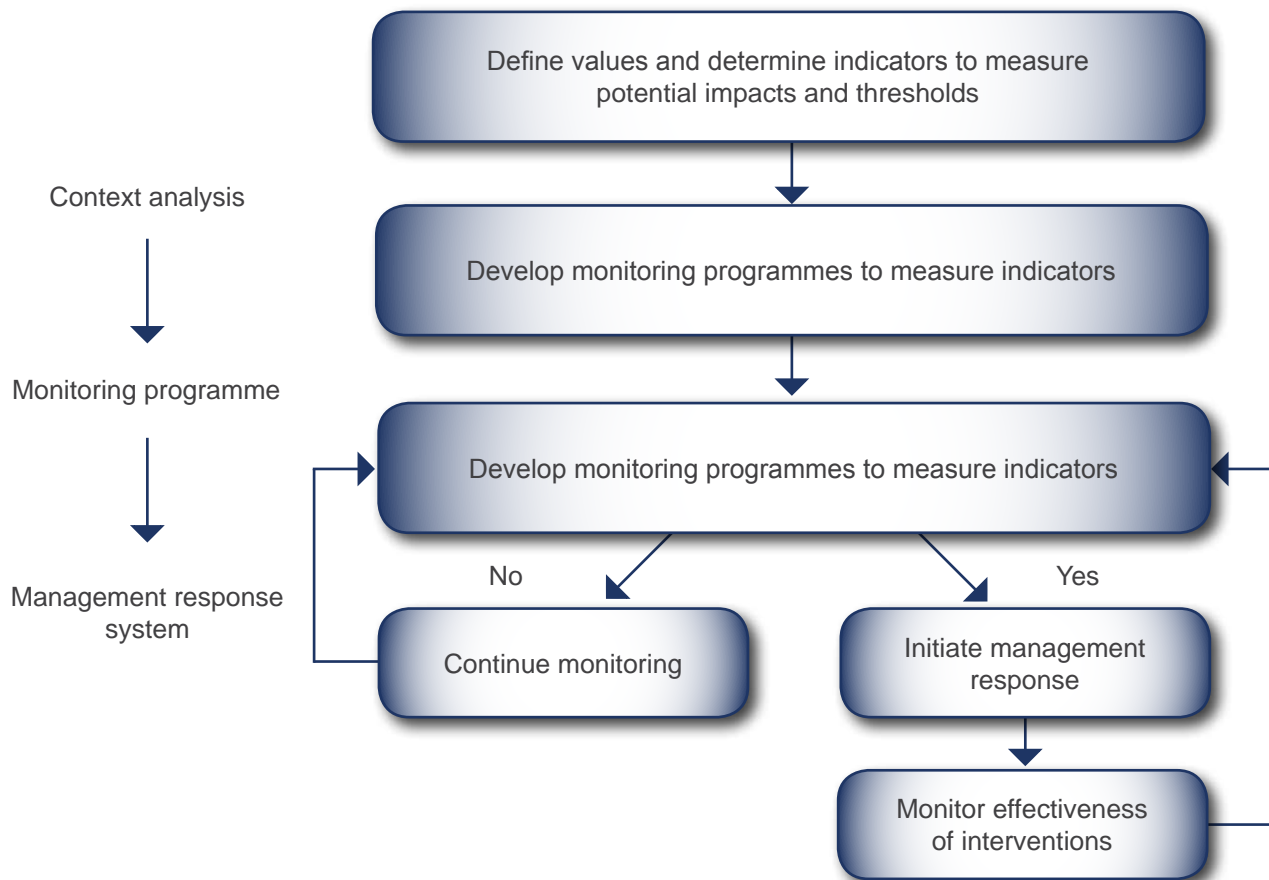
This sort of result is only possible if consistent methods are used and the results from monitoring

are stored in a location that is accessible to all. Managers or researchers may be tempted to 'improve' or adjust the method that is applied at any one site. However, if the methodology is sound, then this should be avoided, because it compromises the ability to compare results over time or over a range of different locations.

The Tourism Optimisation Management Model (TOMM) applied on Kangaroo Island in South Australia shows how planning, community involvement, monitoring and management interventions are related in a continuous improvement cycle⁴ (Figure 7.3).

⁴ 2000 Annual Report, Tourism Optimisation Management Model Kangaroo Island, South Australia, Australia.

Figure 7.3: The Tourism Optimisation Management Model.



Can accreditation schemes help?

Protected area agencies are often asked to support the development of third party industry accreditation schemes either as conditions of the concession or by offering incentives. Some accreditation schemes may assist agencies with monitoring and upholding standards, but most are voluntary and do not target the same issues as the agency is interested in, so they are mostly of little help. Worldwide, numerous quality assurance schemes attempt to provide some level of independent scrutiny of tourism operations. They generally aim to target the green consumer market⁵ or they have been developed by a country's national tourism organization to address concerns about varying customer standards.

Some accreditation schemes focus on sustainability and resource efficiency (e.g. Green Globe 21).

Others schemes (e.g. the Eco-certification programme in Australia) started by focusing on the core business of protected areas (such as environmental impact, contributions to conservation, working with local communities, cultural sensitivity and returns to local communities), but have then, over time, broadened their scope to address wider industry issues (such as business fitness, economic sustainability, evidence of legal compliance, business and marketing plans, human resource management and risk management).⁶

Other accreditation schemes or charter processes, such as the European Charter for Sustainable Tourism in Protected Areas, are more help with planning in protected areas⁷ than in measuring the performance of concession operations. In many cases, the 'owners' of accreditation schemes will approach protected area agencies

⁵ Worboys, G.; Lockwood, M.; DeLacy, T. (2001) Protected area management, principles and practice, Oxford University Press, Australia.

⁶ UNEP & WTO (2005) Making tourism more sustainable: a guide for policy makers, France.

⁷ <http://www.european-charter.org/home> (accessed May 2013).

asking if they will make the scheme mandatory in concession contracts for tourism operators running activities in their protected areas. Agencies should generally resist this unless the accreditation scheme delivers tangible benefits for

conservation and for the agency. The key reason for this is that it will be the agency that will have to increase compliance costs to the industry, so the agency must make sure it gains value from such propositions.

Case study: Eco-award system in Namibia

One award system that delivers on helping protected area agencies to monitor the effectiveness of concession operations is Namibia's Desert Flower Eco Award System. During the development phase of this system, several similar products from Kenya, Scotland, New Zealand and Australia, plus a prototype programme in Namibia, were studied and assessed. Best practice methods were selected and amended to fit the Namibian environment and the programme was formally launched in 2004. The scheme focuses on eight key areas and almost all of these are well-aligned to the outcomes of the government's concession system. These areas include:

- Land use and conservation
- Water management
- Energy management
- Construction and landscaping
- Waste and sewage disposal
- Guiding
- Staff development
- Social responsibility and human welfare

Concessionaires self assess their operation, scoring their performance against these areas. An independent assessor reviews the self assessment on site and undertakes a sound review of all 'back of house' services, staff accommodation and operational services. The criteria and assessment scoring process is very clear. A final score is recommended by the assessor to an independent management committee which makes the final decision to issue a desert flower eco-award. Depending on the number of points scored, an establishment can receive up to five 'desert flowers'. A five-flower establishment has the highest eco-rating based on its excellent community relations, conservation ethic, waste management, water conservation, use of renewable energy and maintenance of 'sense of place'.

The scheme comes with a great range of support material for operators, such as the best practice handbook, guidelines on lodge building, energy efficiency in building (right down to the use of solar cookers). The award lasts for two years and appears to have good buy-in from the industry in Namibia. From an assessor's perspective, the scheme is easy to use but very thorough. It requires assessors to look at the visitor experience and the all-important 'back of house' aspects of each operation, such as power supply, water use, sewage and waste disposal and staff living conditions and to review the conservation programmes some operators run. This is exactly the sort of inspection that should be done for any concession operation⁸.

For further information on the Eco-award scheme, please refer to <http://www.ecoawards-namibia.org/index.php> and the Good Practices Handbook for Eco awards in Namibia⁹

Accreditation schemes such as this can be very useful to protected area agencies because they target the same outcomes as the agencies are attempting to achieve. If agency staff lack the capability or

⁸ Pers. comm. Andy Thompson 2007 helping to assess three separate lodge operations on a private reserve near Etosha National Park in Namibia.

⁹ Tarr, J.; Tarr, P.; Parkhouse, T. (2005) Good Practices Handbook Eco awards in Namibia. <http://www.ecoawards-namibia.org/>



Accessing the 'back of house' services of a concession is vital. Here Ed Humphrey assesses fuel storage and staff quarters for lodge operations in Namibia.

capacity to monitor concession operations themselves and an accreditation scheme like Eco-award exists that is a) not for profit (to keep compliance costs down) and b) aligned to stated concession outcomes; then conditions can be set in the concession contract requiring the operator to achieve and retain a certain minimal level in the accreditation scheme (e.g. a certain number of desert flowers).

However, it must also be remembered that monitoring its concession activities provides a protected area agency with a great opportunity to work with its concessionaires, building relationships, learning about the business and discussing how they can work together to achieve better conservation gains. While some accreditation schemes may assist this process, most do not—they can put a third party between the concessionaires and staff. Use of national accreditation schemes should not replace the need for concessionaires and agencies to learn from each other and work together.

Interventions to reduce impacts

When monitoring shows that certain impacts have become unacceptable, managers must intervene to reduce them to an acceptable level. Maintaining sites in sound condition is a primary management goal and the number of visitors or their effects must be maintained at an appropriate level to sustain the balance between protection and use.

Because there is rarely a correlation between particular activities and the level of impact, it is important to manage the impact rather than the activity. For example, if the number of boats

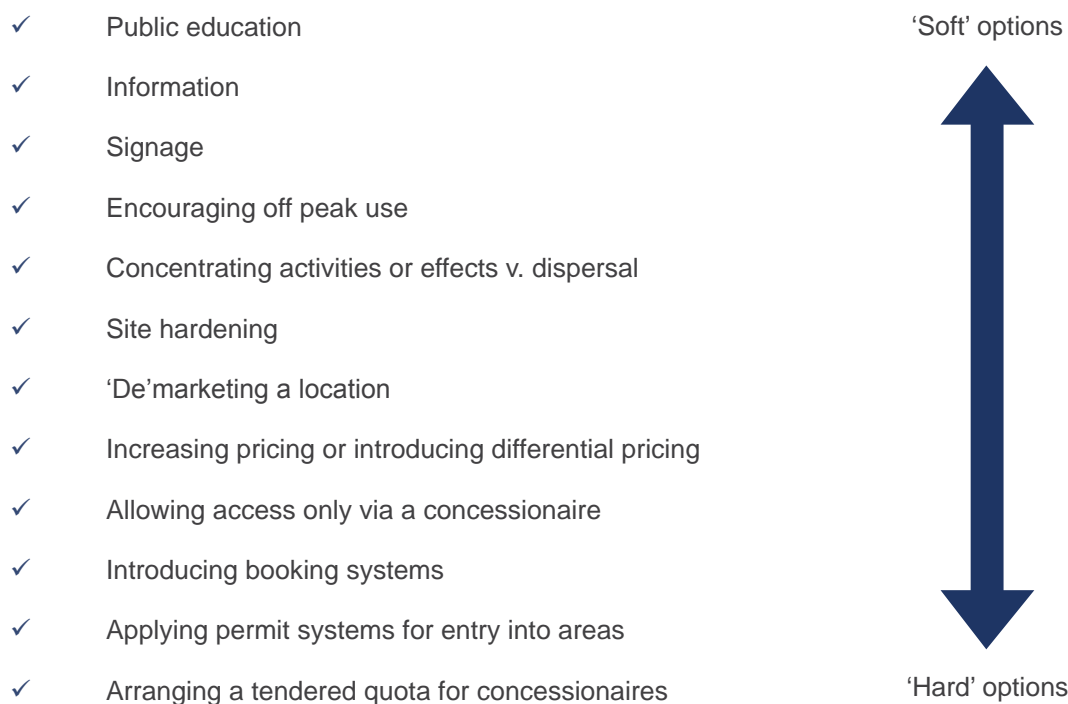
going out each day to view dolphins is resulting in adverse dolphin behaviour, then limiting the number of operations may be one option, but not the most effective. Instead, it may be better to restrict trips to times when dolphins are active rather than resting or for the operators to use larger and slower boats so there are fewer interactions. These two mitigation strategies illustrate that impacts can be managed either:

1. Spatially: activities at low levels can be dispersed, but at higher levels they are better to be concentrated.
2. Temporally: activities at low levels can be spread over time (e.g. 4x4 vehicle excursions over

'untracked' sand dunes require only one trip a week) or concentrated to certain times of the day, month or year.

Other practical strategies for mitigating impacts can be found in Chapter Three and include a range of options from 'soft' or voluntary options through to regulatory or 'hard' options, as illustrated in Figure 7.4 and Box 7.3.

Figure 7.4: Soft or hard options for managing impacts.



Box 7.3: Impact reduction strategies (adapted from the DOC's Visitor Strategy 1996 ¹⁰)

Take remedial action to prevent unacceptable visitor impacts

When the monitoring programme identifies visitor activities, facilities and services as having an unacceptable impact on natural and historic values, DOC can take steps to rehabilitate the site.

Reduce the use of the site/area by visitors

This can be achieved in a number of ways; for example, by restricting the number of visitors, imposing a limit on the length of stay, discouraging potential visitors, putting up prices or introducing a booking system for the use of facilities.

Modify visitor activities/behaviour

Large groups, visitors with pets and groups that do not practice low-impact behaviour will cause more

¹⁰ Department of Conservation (DOC) Visitor Strategy 1996, Wellington, New Zealand.

problems than other visitors. The types of use and visitor behaviour can be modified so that problems are less likely to occur. Moving to quieter aircraft or boats is an example.

Modify the timing of visitor activities

The vulnerability of the environment or wildlife may vary with the time of year. In addition, certain times of the year and week may be more popular with visitors than others, so impacts can be more severe at these times. Visitor use can sometimes be shifted to times when it is least likely to impact on the environment, wildlife or other visitors (e.g. preventing dolphin watch operations from accessing dolphins while they are at rest is a measure in place at Kaikoura).

Move the visitor activity/facility/service somewhere else better able to cope

Visitor use can be shifted to more durable sites. At low levels of use, visitors can be locally dispersed so that their impacts are reduced. At higher visitor levels, visitors can be concentrated to a few sites so the area impacted is minimized. Promoting some sites and not others is one means of achieving this. Note that dispersing impacts works when activities are at low levels. Once activities become popular, then concentrating activities and effects will be a more successful strategy.

Increase the resistance of the site

Managers can also artificially increase the resistance of the resource by either strengthening (hardening) it or shielding it from impact. Shielding involves separating the resource from the visitors causing the problem—boardwalks and barriers are examples of this. Strengthening involves changing the resource to make it more durable (e.g. compacting the surface of a track—the Pancake Rocks and Blowholes Walk at Punakaiki is a classic example of this). Some authors urge caution with this approach, since hardening inevitably moves the site and experience further up the recreation opportunity spectrum over time.

Reduce access to the site

This can be done by not advertising the destination, removing vehicle or aircraft access or even not maintaining a walking track. Granting of sole concessions to caves so that visitors access the area under strictly controlled and guided conditions is an example.

Limit and tender concession opportunities

Where use of the site is predominantly by concessionaires, then limiting and allocating concession opportunities can be a viable means of mitigating effects.

Ultimately, a mix of impact mitigation techniques will be more effective than any single intervention.

Making changes to what is causing the impact (visitor numbers, activities, behaviour, facilities and services) may be a better option than increasing the resistance or capacity of the site/area. For example, if a track is becoming well worn, then the management tendency is for upgrading and hardening rather than closing it in winter or making access more difficult. Increasing resistance can also change the nature of the experience at a site,

moving the visitor experience at that site further toward the front-country end of the recreation opportunity spectrum (see Chapter Three). It may also increase the level of infrastructure and therefore the cost of managing an area that was previously natural environment¹¹.

Monitoring concession activities should also:

- Relate to known baseline conditions
- Be based on reliable indicators that measure change over time

¹¹ Worboys, G.; Lockwood, M.; DeLacy, T. (2001) Protected area management, principles and practice. Oxford University Press, Australia.

- Have threshold targets set that trigger management intervention
- Ensure these requirements and their costs are incorporated into concession contracts

Involving concessionaires in impact monitoring

The participation of stakeholders, especially affected concessionaires, in developing and implementing monitoring programmes provides benefits that go beyond the monitoring itself. Working together to sustain the health of a site helps to build relationships, as well as protecting the environment. Rome¹² (1999) identifies two key benefits of involving stakeholders. Firstly, the degree of acceptable change in community-related impacts (socio-economic and cultural factors) can best be decided by the affected parties. Therefore, stakeholders should be included when the likely impacts of an activity are being identified, and the indicators and thresholds of acceptability that will be tolerated. Secondly, when the stakeholder community is involved in the monitoring, and when methods and findings are made accessible, then that community can help to generate, or at least support, management solutions for any problem. There are several key points in the monitoring process where concessionaires should be involved. These are:

1. During the management planning process or when a concession is publicly notified—this is when outcomes or limits can be defined.
2. When a monitoring plan is being formulated.
3. When a concession contract is being drafted that requires monitoring and cost recovery for that monitoring.
4. Just prior to the monitoring taking place; for example, letting all stakeholders know in a relevant newsletter.
5. Once a draft report is completed, then affected parties, such as a specific user group or a concessionaire, should have the ability to view (but not necessarily comment on) that draft before it is made widely available. This allows affected parties to develop solutions that can usefully be promoted before the report is made public.

6. In a debrief session once a monitoring report is made public and management interventions are being formulated.
7. Finally, the monitoring results should be shared as widely as possible, especially with other concessionaires and the wider tourism industry.

This degree of stakeholder engagement may seem onerous, but if buy-in to the results of the monitoring programme and subsequent management interventions are needed, then involving stakeholders in the process of monitoring is as important as the monitoring programme itself!

The concessionaires or stakeholders may not always be right, so protected area managers need to listen and draw their own conclusions about what actions are required. At least then everyone will understand the reasons for the decisions taken.

Monitoring inspections of existing concession operations

Inspections of concession operations are about checking their performance against the terms and conditions of their contracts, rather than undertaking specific impact monitoring programmes. Inspecting a concession operation could result in:

1. Triggering the need for a more formal impact monitoring programme.
2. The need to point out to a concessionaire that they may be in breach of their concession contract and that they should remedy this situation.
3. A better understanding by the concessionaire of the conservation values in the area and a better understanding of the concessionaire's business by protected area agency staff, leading to a discussion about the potential benefits of working more closely.

This section provides protected area agency staff with straightforward advice on how to inspect a concession operation in a friendly, effective manner that will ensure issues can be addressed promptly. As with monitoring, inspections offer the opportunity for staff to learn about the operations they are

¹² Rome, A. (1999) Ecotourism impact monitoring: a review of methodologies and recommendations for developing monitoring programs in Latin America. Ecotourism Technical Report Series Number 1, The Nature Conservancy, USA.

managing and to build positive working relationship with concessionaires.

In ideal circumstances, each concessionaire should be visited at least once a year. Large operations (such as ski areas or hotels) may be inspected more frequently, especially if further developments

are planned. The frequency of visits may need to be greater when an operation is first starting up, or if it involves high-risk activities. During the construction phase of a large project (a new lodge, for example), it is even reasonable to require concessionaires to pay the salary of a protected area agency staff member to monitor construction activities. It is

Box 7.4: Film company required to pay for a fulltime person to monitor its activities

The Hollywood feature 'The Vertical Limit' was mostly filmed in Aoraki/Mount Cook National Park in New Zealand's South Island. The film makers had a crew of over 100 people, up to three helicopters and many vehicles. They required significant flexibility to move equipment and crews at short notice between film locations and even needed to use certain special effects in the park. These activities were approved in the concession contract subject to a range of special conditions. Protected area staff required the film company to pay for a full-time employee, chosen and hired by the Department of Conservation (DOC), to monitor this operation. The monitoring person worked for DOC and ensured that a whole range of impacts (some of which were predicted and others that were not) were managed quickly. The monitoring person briefed film crews on what was expected, inspected equipment and ensured that everyone was aware they were operating inside a national park. If a significant issue arose, then the monitoring person was able to call on DOC staff for assistance.



during this time that the most disturbance to a site is likely to occur. Box 7.3 describes an example of a concession that required the concessionaire to hire a staff member to oversee concessions activities. Experience has shown that concessionaires generally like protected area agency staff to visit and monitor their operation, so long as the approach taken by staff is friendly, open and straightforward.

All levels of protected area agency concession staff should be involved in monitoring concessions, but monitoring should predominantly be done by local field staff, supported from time to time by specialist concession staff. This is one of the best ways for agencies to learn about their concession

operations, the industry, the potential impacts of activities and to advocate for conservation and build relationships with concessionaires.

Before the visit

- Review the concessionaire's file to see if there were issues from any previous site visit that should be checked and followed-up. Review the contract and the conditions in the contract so that staff are clear about what the operator is supposed to do and not do.
- Take a camera, note book and a copy of the contract (not the original).
- Phone or email the concessionaire and arrange a time to visit them.

- If an agency concession specialist and a field staff member are undertaking the visit together, then they need to agree prior to the visit about what issues should be focused on.

During the site visit

- Be prepared to look at 'back of house' issues during the inspection. This includes things such as kitchens, staff quarters, sewerage systems, water systems, fuel storage, waste and rubbish disposal, workshops, access roads and game driving routes. The same applies if it is an aquatic operation—how do they deal with fuel, fuel storage, waste and sewage?
- If something is encountered that is of concern, ask 'why is it done this way?' There may be a good reason for it. Point out to the concessionaire the impact that it is having on conservation values or the recreation experience of others. Make notes about the issue and take photographs. If possible, agree on how and when it should be resolved. Keep a record of these details.
- If there is a joint arrangement relating to a local community, check that the community is receiving the benefits it is entitled to (including asking for evidence). A separate visit to the community to seek its views on the operation may be needed. Alternatively, it may be appropriate to include a community representative in the inspection.
- Remember to be respectful at all times, but be clear about issues that are unacceptable or a breach of the concession contract. If there are issues, they do not always have to be resolved on site. Following-up any issues identified in writing is necessary anyway and this will give staff time to reflect on the issue—assessing its significance and how it can be resolved.
- If an issue does need to be resolved, ask the concessionaire how they intend to address it—concessionaires often have the skills and expertise to develop a solution themselves. This is often a better approach than imposing a solution that may be too costly or ineffective.

After the visit

- A monitoring report should be completed for each visit and stored on file. Any significant

impacts should be photographed and included in the report. The report should detail any issues identified, the action required to address them, by who and when.

- After monitoring, it is important to write and thank the concessionaire. If they are doing a good job, then let them know. Recognition of good performance is very important!
- If unsatisfactory issues were discovered, they must be followed-up in a written letter to the concessionaire. The letter should outline the issue and describe the desired condition that should be reached by what date. If this is related to a concession contract condition, then reference this clause. A significant issue of this nature may require a follow-up visit.
- Remember that if there are severe, significant issues associated with an operation that are impacting on the protected area, the operation may have to be suspended while the issue is investigated further and/or resolved (contract conditions should allow for this). A note of caution is needed here—if an operation is suspended, you need to be ready to approve the remedial action immediately so the suspension has as little financial impact on the operation as possible. Failure to act promptly on this issue could leave the protected area agency liable for the concessionaire's 'loss of income'.

USNPS staff inspect a food and retail concession and share their findings with the concessionaire Photo: USNPS



¹³ USNPS Appendix 4, NPS Commercial Services Program Environmental Audit Envirocheck Sheets. http://concessions.nps.gov/docs/concessioner%20tools/Audit%20Guide/Appendix_4_CS_Check_Sheets.pdf (accessed March 2014)

If the issue continues to be left unresolved after time has been allowed to rectify the situation, or if circumstances are extreme, the concessionaire can be fined (depending on laws and contract conditions), or the concession suspended or terminated.

The USA National Parks Service (NPS) maintains on its website¹³ an environmental checklist tool to aid with monitoring the environmental aspects of a range of concession activities. Box 7.5 shows some of the activities for which checklists have been developed.

The 'EnviroCheck sheet' is a tool used by the NPS when conducting NPS Commercial Services Program environmental audits.

Making this tool available to the public and concessionaires helps everyone to understand where service standards are being met. It is the sole responsibility of the concessionaire to understand and comply with all applicable laws and regulations. Much of the material in these checklists could be adapted to other commercial programmes.

When monitoring concessions in developing countries where socio-economic outcomes are important, protected area agencies should develop

Box 7.5: EnviroCheck sheet

An environmental checklist tool for a range of concession activities is maintained on the NPS website.

This includes:

Campgrounds and trailer villages

Food and beverage service

Environmental management systems

Gas and service stations

Golf courses

Guide and outfitter services

Horse, mule, and animal husbandry operations

Laundry, swimming pool, shower and bathhouse operations

Lodging management

Marinas and watercraft rental operations

Medical clinics

Retail operations

Tennis courts

Transportation operations

Water guide services

Winter sports operations



NPS concession staff inspect a food service and retail concession.

Photo: USNPS

checklists of the benefits they hope to achieve from their concessions. Key areas to look into include:

- Number of jobs and the wages paid into the local community
- Percentage of local employment
- Training offered and completed by staff
- Secondary employment opportunities

If a head concession has been awarded to a local community entity and a sub-contract or joint venture arrangement has been established with a tourism operator, then the level of community equity and income from the concession should also be monitored.

Illegal operations

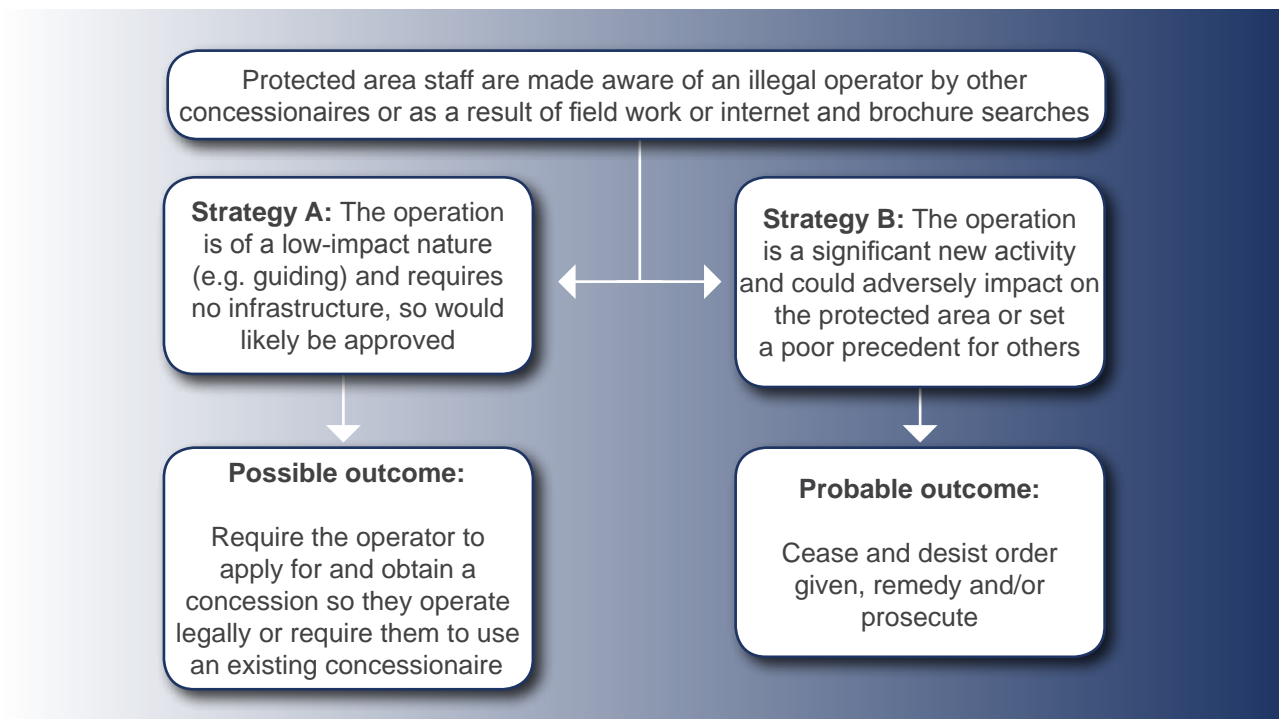
This section describes how protected area agency staff can detect and manage illegal concession operations.

A successful concession system requires operators in protected areas to obtain an agreement

(concession) with the protected area agency, operate according to the terms and conditions of the concession and pay fees for the right to operate a business in the protected area. The same rules must be applied as consistently as possible to all concessionaires. Managers will quickly hear from existing operators if an illegal operator, who is not adhering to the rules or paying fees, starts up. When dealing with illegal operations, protected area managers can choose one of the following two strategies: a) allow operations to continue but require operators to apply for a concession and authorize them; or b) close them down and prosecute them. Prosecutions are necessary from time to time (particularly for repeat offenders), for operations that have potentially significant impacts or when a clear message needs to be sent to the wider industry. However, prosecutions are generally rare and compliance work with concessionaires should be relatively straightforward, so strategy a can be used. These two strategies are depicted in Figure 7.5.

With tourism operations, it is relatively easy to find out who is operating inside a protected area.

Figure 7.5: Two strategies for dealing with illegal operations.



Information will usually arise from one of four main sources—electronic media, print media, other concessionaires and staff in the field:

- Operators will advertise their business services in a particular protected area through the internet. Some relatively simple Google searches of websites and Facebook pages will therefore result in a list of operators advertising services in a particular area that can be cross-checked against the list of approved concessionaires.
- Brochure racks at visitor information centres will also provide information on who is operating inside a protected area without a concession. Scanning the internet and brochure displays to see who is advertising is a very quick and cost-effective way of discovering who is operating without a concession.
- Existing concessionaires will generally complain quickly if they spot an illegal operator.
- Placing staff at busy road ends or at park entrance gates during peak periods to ask guided parties who the trip leader is and the name of the company running the tour is also very effective. This does not need to be a specially trained compliance person, just a staff member in uniform asking simple, polite questions. Illegal operators will be very embarrassed in front of their clients (the clients are unlikely to be aware the company they have booked with does not have a concession) and legal operators really appreciate this approach, as it demonstrates to them that the protected area takes concessions seriously and is doing something about illegal operators. This approach may only need to be implemented during a few weeks of the year and it is good for staff to be seen out in the field.

In all of the above cases, once the protected area agency has identified the illegal operators they can make a decision as to whether to gather further evidence for a prosecution or to contact the operators to make them aware that they have been breaking the law. Generally, most illegal operators can be convinced to obtain concessions.

In rare circumstances, a business that involves structures, has infrastructure or that will have significant adverse impacts may start up or be

found illegally operating in a protected area. This will require a fundamentally different approach from the previously described situations. Protected area managers will need to make a quick decision to involve well-trained compliance staff who can gather evidence for a prosecution promptly. In these circumstances it will be up to the managers to determine the appropriate course of action.

It is vital for the credibility of a protected area's concession system that illegal operators are dealt with effectively and even (if appropriate) prosecuted. It is important to remember that the legal operators adhere to their concessions, pay fees, assist communities and benefit conservation—illegal operators do not!

Whether it is an existing concessionaire in breach of their conditions (for causing impacts or not paying fees) or an illegal operation that has been discovered, the process of sending three letters is usually effective in bringing about resolution. This process is described in Box 7.6.

The three letters process is the formal part of responding to illegal operations and concessionaires in breach of their conditions and should not prevent a protected area agency concession manager or senior manager from calling operators, meeting them and finding out what is going on. The letters also form the chain of evidence and if an issue were to end up in court, they help demonstrate that the agency has given the operator ample opportunity to comply, has acted lawfully and has been fair and reasonable.

In the rare event that a concessionaire is a repeat offender (i.e. three letters have to be sent every time the agency wants them to pay fees), this process can be stepped up and they can be reminded that when their concession expires it may not be renewed, since they have not been able to demonstrate that they are fit and proper people to apply for or hold the concession.

In all instances, the protected area agency will need to be prepared to act on the warnings they issue if they go unheeded. Empty threats will weaken the entire concession system. It is incumbent on staff to warn their senior managers that issues are approaching the need for action prior to that point

Box 7.6: The three letter process for resolving significant compliance issues

1. The first letter to the operator describes the issue concerned and is a friendly reminder that it should be resolved as soon as possible. It should thank the operator for their co-operation.
2. If the first letter is not effective then the second letter calls attention to the first letter, details the section of law or contract condition that is in breach. It reminds the operator that this is a significant issue for the protected area agency for which the operator either risks losing their concession or risks prosecution.
3. If the second letter is not effective, the third reminder is the final warning. It calls attention to the first two letters, reminds the operator of the issue, and what is being breached. It lets the operator know that the agency is forming a view that it should terminate the concession within a certain period. It states a final time frame for the operator to comply.

being reached. Terminating a concession will not need to be done often.

There are some exceptions to this process. These are likely to include occasions where there are significant public safety issues or significant environmental issues. In these cases the operation can be suspended immediately while an investigation is carried out and an action plan is put in place. The operation may then be allowed to restart or it may be terminated.

Activity monitoring

Concession activity monitoring can be defined as obtaining the information that indicates 'who' is operating 'where' and 'when' and 'what activities' are being undertaken. It also includes financial information on 'how much', as fees are often based on the number of customers they receive.

Good data supports effective management and leads to wise decisions¹⁴. Most protected area functions require good information, biodiversity specialists need census data about the species they manage and the threats to those species. Recreation and tourism managers need information on visitor use, revenue and economic impact. To be effective, managers need to understand the activities, scale and benefits of their concession system (see Chapter Eight).

Information in the concession area should also be shared as widely as possible. This helps managers

and decision makers; it also gives internal and external stakeholders confidence that concession issues are being well managed. As in any area of work, there is a great deal of information that can be collected on concessions, but it is not cost effective or necessary to do this. Managers will need to consider what they need most and the audience it is for. This will then determine just what information is collected and how it is disseminated.

Different information is likely to be needed at different levels, so, ideally, the information collected should be scalable. For example, a protected area manager will need to know how many concessions are operating in the area they are responsible for and how much revenue these concessions generate. The director of the protected area agency may need to take information to the Minister on all of the concessions managed across the protected area system and the revenue they all earn collectively for the protected area agency. The following text highlights some of the concession activity information needed for different audiences.

At a political level

Information on the total number of businesses operating in a protected area, the total number of jobs they provide and the total economic benefits provided by the protected area system through concessions are likely to be of most interest. Politicians may also be interested in reducing industry compliance costs (the cost and time it takes to award a concession) or the benefits

¹⁴ Worboys, G.; Lockwood, M.; De Lacy, T. (2001) Protected area management, principles and practice, Oxford University Press, Melbourne, Australia. 399 p

concessions are providing to people living in and around the protected areas, so information on these aspects may be required. It may also be necessary to present the results of monitoring work or plans to terminate an operation, especially if the action needed to remediate impacts could result in a significant adverse reaction for the businesses concerned. Ministers and agency directors will also want a 'heads up' on any contentious issues, such as allocations or terminations.

At a planning level

Trends in activities over time and where concessionaires operate are helpful to protected area planners. Information may be required on what demands (applications) are being made for new concessions (and where). A great deal of other information should be used in planning processes, but it is not specifically related to concession activity management (refer to Chapter Three).

At a concession management level

Concession staff need information on concession activity at all levels, as they are the main sources of information for all other parties. However, in addition to the information needs above, they will also need information to:

- Manage revenue.
- Determine where compliance and monitoring programmes may be needed.
- Manage workloads (e.g. number of concessions about to expire, rent reviews and inspections due). This helps concession and operational staff to match the resources they have to the work and to prioritize accordingly.
- Information relating to the award of concession opportunities, where they are at in the process and what tasks are needed next.
- Best practice examples of concessionaires that contribute to conservation.
- Pressure points where impacts need to be carefully managed either now or in the future. Concession planning and operational staff may need to understand the frequency, size and duration of concession trips—what is awarded versus what is actually used.

At an operational level

Field staff will be most interested in the number of concessions in a protected area and the activities they carry out. They also have concession-related tasks to complete, so they will be interested in the inspections they need to complete, any compliance work they need to do (including looking out for potential illegal operators and any monitoring programmes they need to run). Operational staff will be able to inform concession staff on illegal operators, monitoring results and best practice examples of concessionaires involved in conservation programmes. They should also be asked to provide advice on the effects of new proposals and may even help to identify new business opportunities.

Concessionaires and the industry

Of most use to this sector will be information on general numbers of concessions, where they are and what activities are taking place, total overall revenue, results from monitoring programmes and best practice examples of what concessions are doing to support conservation. Potential locations, activities or opportunities that may be coming up for tender should also be promoted to concessionaires. The protected area agency can also help concessionaires by promoting approved, legal operators on its website, either by activity or by location or both.

The public

Sharing information with the public adds to the credibility and transparency of a protected area agency. This is an area of work that the public and even protected area staff may be suspicious of. The more open an agency is with information on concessions, the greater the level of transparency and trust it is likely to attain with the public.

What information is needed?

Table 7.1 summarizes the concessions activity information that it is important to have to enable a credible, effective and trustworthy concessions system to be developed (further information is also contained in Chapter Eight).

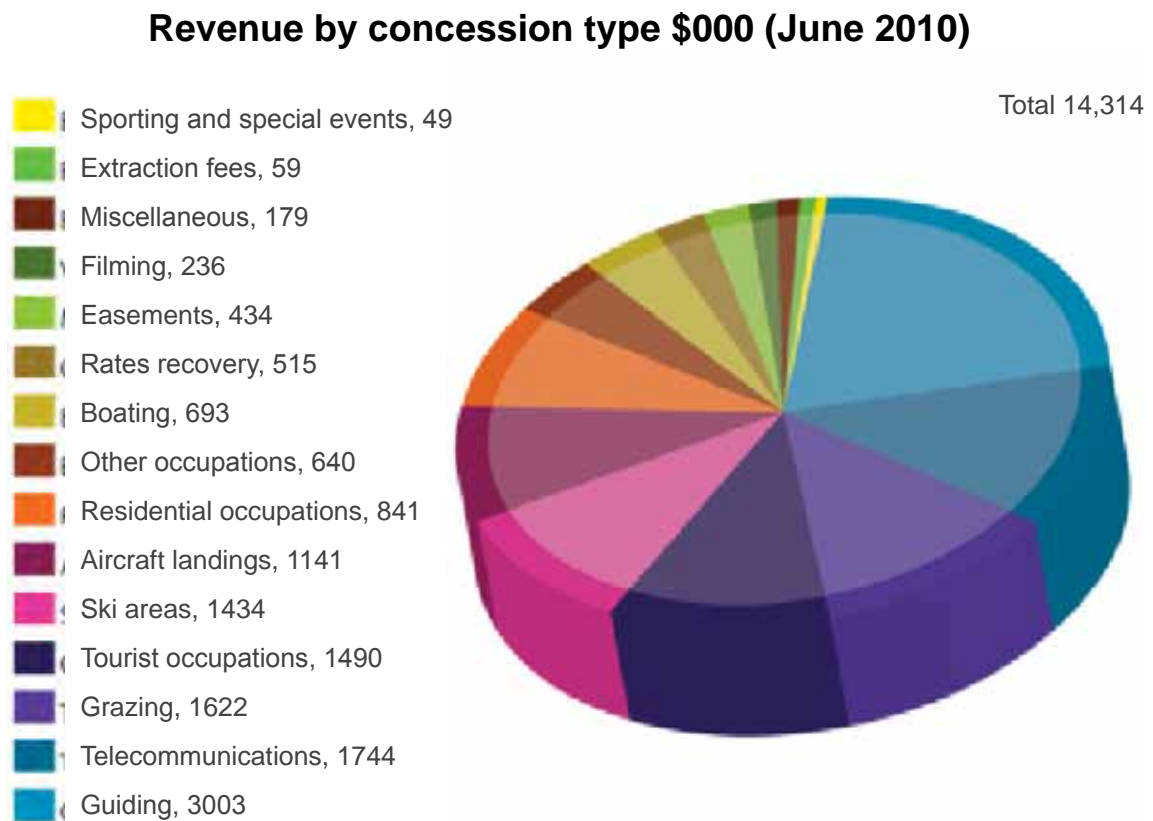
Table 7.1: Concession activity information that should be collected and reported.

Information	Further details
The number of concessions managed	Showing this over time, at a protected area level and national or state level is vital.
The location in which concessions operate	This can be listed by protected area or shown in a global information system (GIS). This can be more difficult for guiding-style concessions that operate in relatively low numbers across wide areas. However, it is important for managers to build up layers of information about sites (such as ecological information, threats, visitor and commercial activities). It may take some time to build this picture at a detailed level).
The activities concessionaires undertake	This may be categorized into broad categories e.g. a) tourism and b) other resources and then further broken down into primary activities such as 'guiding'. This can then be further broken down into sub-activities such as guided hunting, guided fishing, guided walking, etc.
Who are the approved concessionaires?	Company name and trading name. Concession staff and agency senior managers should also understand who the biggest concessionaires and the main income generators are.
How much do concessionaires pay?	Looking at this by activity and over time will help to build a picture of what sectors of the concession portfolio are shrinking or expanding. To collect fees from some concessions it may also be necessary to collect information on the frequency of visits, location, number of clients and the duration of visits and/or gross income earned.
What is the economic impact (jobs, turnover and multiplier effects)?	Basic information should be collected on all operators (turnover and jobs) and used in a summarized form to advocate to the tourism industry and decision makers how much protected areas are contributing to local and national economies—see Chapter Twelve for more information on this. This information can then be built on by specific economic studies and the application of economic multipliers.
The number of concessions recently awarded	Including how long this takes to process or award concessions and how much it costs the agency to do this (staff time) and how much is recovered in processing fees from applicants or tenders.
Information on community benefits	This can include: <ul style="list-style-type: none"> • The number for jobs for local community members • Training and capacity-building initiatives • Secondary business opportunities i.e. wood supply, laundry, etc. • Level of community equity in businesses.
Workload management	This can include: <ul style="list-style-type: none"> • Number of concessions managed • Number of applications or tenders being processed • Number of inspections, rent reviews, monitoring or compliance programmes needed • Workload per person • What systems need to be developed or reviewed.
New opportunities	Number of new business opportunities to be awarded over the next 3-, 6- and 12-month periods.
Conservation benefits	Best practice case studies of what concessionaires are doing to be involved in and support conservation.

The information outlined in Table 7.1 is much more useful when used in combination. For example, the number of concessions x activity x revenue. Figure 7.6 shows where cross-matching information

can reveal valuable information about what sectors are worthwhile and what sectors still have more potential.

Figure 7.6: Example of concession information and revenue by primary service for concession activities in New Zealand¹⁵.



In other cases, it will take time to build up a good picture with sufficient information on all aspects of concessions, such as having them all mapped into GIS and overlaid with biodiversity values for planning purposes, or having detailed information on their economic impact. However, every effort

should be made to collect basic information so it can start to be used and disseminated to different parties as required. Box 7.8 describes how important good information is in managing concessions using an example from Namibia.

¹⁵ New Zealand Department of Conservation website: <http://www.doc.govt.nz/global/training-courses/concessions/index.html> (accessed August 2014).

Box 7.8: The importance of good information in managing concessions

When the concessions unit in Namibia was set up, the first job was to collate all of the concession files and contracts into the concessions office and study them to find out exactly how many concessions the park agency was managing. The second job was to review the contracts and the fees that should have been paid and cross-check this with the fees that had actually been paid. There was an obvious difference, and once several reminder letters were sent to each concessionaire, revenue rose from N\$2 million to N\$2.5 million. Good data and records are essential for concession managers.

SUMMARY

This chapter has shown how monitoring activities complement the use of planning and EIA in managing concessions. Ultimately, monitoring helps protected area agency managers ensure they are balancing conservation and use effectively. Three types of monitoring were presented in this chapter. Firstly, impact monitoring helps protected area staff, concessionaires and other interested parties understand the impacts of their activity and also focuses discussions on potential solutions. Inspecting existing operations is a great way for staff to learn more about concession operations, build relationships with concessionaires and address any concerns that may have arisen. A range of impact mitigation strategies were also presented. Secondly, compliance monitoring helps the agency to maintain a credible concession system and supports existing concessionaires who have made the effort to obtain a concession and operate according to its terms and conditions and pay fees. Thirdly, activity monitoring supports good decision-making and will help protected area agencies to manage their commercial portfolios in a manner that gives the industry and the public confidence.

The information that protected area agency managers need to collect and disseminate ultimately depends on what decisions need to be made. The following actions will help managers and concession staff to build a robust concession system.

ACTIONS

1. Identify areas where impacts or concession activities are reaching critical levels. Define the problems, establish baseline conditions and then set about monitoring the impacts using key indicators and predetermined thresholds of acceptable impact. Work with your concessionaires by including them in discussions on potential solutions.
2. Determine your agency's other information needs about the concession function, then set about systematically collecting this information and disseminating it.
3. If your park or protected area agency is getting complaints about illegal operations, set up a small programme to identify potential illegal operators and then write formally to them inviting them to obtain a concession.
4. Put in place an inspection schedule with operational staff to visit concessionaires each year with a view to building relationships, working together on conservation or recreation projects,

understanding their businesses, imparting conservation knowledge and, finally, checking that they are adhering to their contract conditions and managing the impacts of their activity.

5. Build information about the size, scale and positive impacts of the concession business within the protected area agency and share this information with decision makers, concessionaires, the public and researchers as freely as possible, including on the agency's website.

TOOLS

The Department of Conservation in New Zealand has monitoring tools for:

- Ski area inspection tool
- Grazing concession inspection tool
- Marine mammal operation inspection tool
- Visitor crowding and satisfaction tool
- Aircraft annoyance monitoring tool
- Rock climbing impact monitoring tool
- Photo point monitoring tool
- Physical impact monitoring tool

Tarr, J.; Tarr, P.; Parkhouse, T. (2005) Good Practices Handbook Eco awards in Namibia. <http://www.ecoawards-namibia.org/>

NPS Commercial Services Program Environmental Audit Envirocheck Sheets http://concessions.nps.gov/docs/concessioner%20tools/Audit%20Guide/Appendix_4_CS_Check_Sheets.pdf

Five day dune driving tours in Namibia by Uri Adventures is an incredible way to experience the desert in a safe, informative and fun way



Salesi is one of the few Tongan guides approved to take people swimming with the whales. He provides an authentic experience and can talk about his families long association with the whales in the area where they mate, calve and nurse. The price of the licences is excluding local people as guides, undermining their ability to benefit from tourism and the protection of these mammals.



Introduction

Concession management is big business, sometimes involving thousands of concessions and millions of dollars in revenue for protected areas. However, achieving good outcomes from concession systems does not happen by accident. To encourage investment from the private sector and support from the public, they must be well designed and properly managed. The old adage states that ‘you must spend money to make money’¹, but concession activities seemingly make it possible for protected areas to collect income from concessionaires, who take on the business risk, for very little outlay of their own. However, this is a somewhat simplistic understanding of the process, and protected area agencies do need to invest in high-quality staff, administration systems and processes, and communications to ensure their concessions are successful.

This chapter is primarily written for agencies that are just starting out and hoping to increase their concession business. It covers the management and administrative actions needed during the various lifecycle stages of concessions, provides a comparative summary of the concession business, resourcing and revenue in five countries before addressing how to manage records, databases, websites, files, reporting requirements and the release of commercially sensitive information. Finally, safety and the roles, responsibilities and liabilities of protected area agencies and concessionaires are discussed.

The second part of this chapter addresses how commercial activities such as commercial filming, stock grazing, telecommunications, whale and dolphin watching and swimming can be managed using the same principles and practices as are applied to recreation concessions.

Key messages

1. Each concession needs to be managed on a lifecycle basis from application or tender, through consideration, award and management during the term of the concession, to finally expiry of the contract.
2. Other commercial activities, such as stock grazing, telecommunications, filming and marine mammal watching, can be managed in the same way as tourism concessions, using the same staff, systems and processes.
3. Whether a protected area agency manages 40 or 4000 concessions, professional administration systems are needed. Their scale will vary according to the scale of their workloads, but the basic components should be the same.
4. Measurement and reporting helps everyone to understand the size and scale of an agency's concession programme. By encouraging transparency, it can help inspire trust and confidence and assist the programme to achieve the agency's desired objectives.
5. Safety should be the responsibility of concessionaires. Protected area agencies must have the policy and contract conditions in place to support this; but the wider tourism industry and government also have roles to play by setting standards and qualifications for key, high-risk activities.
6. Significant benefits can be realised by committing time and resources to continuous improvement in the management and administration of concession programmes.

Discussion

No matter what governing laws or policies protected area agencies use to guide concession management, every concession agreement—whether for a weekend filming job or a 30 year hotel lease—has the same lifecycle.

The concession lifecycle shown in Figure 8.1 helps to conceptualize the major issues and tasks associated with the allocation and management of each agreement. The lifecycle stages and the major tasks involved are outlined in Table 8.1.

¹ Plautus, Roman Playwright.

Figure 8.1: Concession lifecycle.

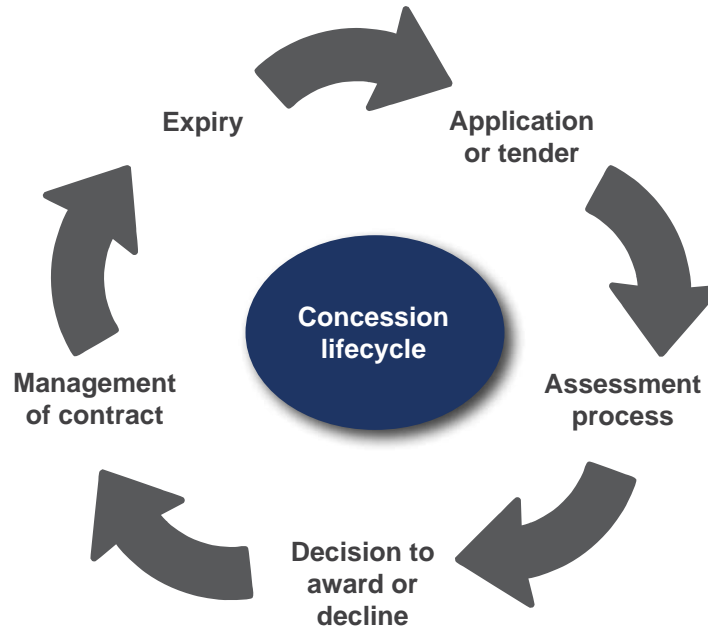


Table 8.1: Major tasks associated with the concession lifecycle.

Lifecycle stages	Major tasks
Application or tender	An application for a concession is made and meetings are held with the applicants, or a protected area agency tenders a concession opportunity, which involves identifying tender locations, feasibility testing, completing prospectuses and advertising the tender (see Chapter Five).
Assessment	The application is assessed against the purpose for which the land is managed, the relevant management plan and the potential impacts of the activity. If a tender has been called, then the tender bids are assessed against the economic, financial, social and environmental criteria outlined in the tender documentation.
Decision-making	The application is approved or declined or the successful bid is formally accepted.
Management	Rentals and activity returns are collected, the concession is monitored, work programmes, variations or extensions are considered and rents are reviewed, ownership may be transferred. Relationships are built and potential environmental or social partnerships programmes are developed.
Expiry	At the end of its term the concession expires. The incumbent may reapply, the opportunity may be tendered or it may cease altogether. Ownership of infrastructure may be transferred or it may be removed.

The role of concessionaires and the concession function in protected area management is generally overlooked in tourism literature. However, the management and awarding of concession opportunities can occupy a significant amount of protected area agency managers', directors' and ministers' time.

Table 8.2 summarises the scale and scope of concession work in several protected area agencies. Professional staff, systems and processes are needed to administer concessions, obtain the best outcomes and support protected area managers and ministers. As Table 8.2 illustrates, for many agencies, the management of concessions is a serious and sizeable business in its own right.

The number of concessions managed by any one agency may be very small. For example, county governments in Kenya are responsible for managing national reserves, and may have less than five concessions in these reserves. The consequence is that many are poorly managed. In this case either national guidelines could be established or the concession process outsourced to either to a trusted commercial or non-governmental organization (NGO) partner or to some other national-level entity.

Records, database and revenue management

The critical elements that underpin a successful concession function are the records that are kept on file for each concession, the database that is used to track and record all concessions, and the revenue management systems used to collect fees. These administrative systems help to manage all concession contracts let by a protected area agency throughout each one's lifecycle. To be effective, they must be maintained and kept up-to-date at all times so that they can provide concession staff, field staff, managers, the Minister and the public with accurate information on the commercial use of protected areas.

The principles articulated in this chapter apply to all protected area agencies that administer concessions. In industrialized countries, most agencies have learnt the need for such systems and will already have them in place or will automatically establish them when starting new

activities. However, many developing countries will have little experience with administrative systems and will need to establish and continually improve them until they are robust and efficient.

Considerations for records and file management

Public agencies have a duty to keep good records and this is especially relevant when the government (through a protected area agency) has entered into a contractual relationship with a third party. Many concessions also have 5–30 year terms, which will outlast the time staff spend in their roles. It will not be uncommon for a longer (e.g. 10 year) concession to be managed by 3–4 different staff members, so good records are vital for ensuring that they can be handed on smoothly from one person to the next.

Staff turnover and dispersed or centralized concession teams, combined with the many forms of recording and communicating information now available (e.g. databases, emails, Facebook, Skype, letters, contracts and reports) make it challenging to keep a robust record of transactions for every concession.

However, to the best of their abilities, staff should ensure that the history of each concession, from application through consideration, decision-making, management and expiry, is tracked to ensure the following information is recorded and available:

- What commitments have been made
- Who has discussed what, and when
- What fees have been collected
- What monitoring has been done
- Details of the concessionaire's performance so that any disagreement or compliance issues can be traced

Doing this requires that the following issues are addressed:

- Each concession should have its own file and file number for easy reference. The file number should be included in the database (if used) as one of the key fields.
- The file system can include paper and electronic

Table 8.2: Concession workloads for a range of protected area agencies².

Workload measures	USNPS	Parks Canada	New Zealand Department of Conservation	Ministry of Environment and Tourism Namibia	Great Barrier Reef Marine Park Authority Australia
Number of concessions:	600 contracts plus 6000 commercial use authorizations	2752 leases, licenses, business licenses	3700 concessions of which 43% are tourism related	45	940 (approx) tourism permissions
Income from concessions:	US\$74m	US\$7.4m	US\$12m (from tourism and other concessions)	US\$1.7m	US\$7.3m (approx) through an environmental management charge
Staff employed (FTE):	200 (40 in head office)	30	25	3	22
Timeframes for processing small concessions:	3–12 months (excl. plan changes)	3–6 months	65 days (2 months)	3–12 months	8–10 weeks, 4 months to run an expressions of interest process (EOI)
Timeframes for processing large concessions:	1–2 years (excl. plan changes)	60 days effort (not continuous)	160 working days (5 months)	12–24 months	Approval for some major projects such as pontoons may take longer than 24 months
Structure (centralised or decentralised):	Centralised administration for contracts over the value of US\$5m	Centralised for large-scale issues, decentralised for smaller concessions and for relationship management and monitoring	Regionalised processing centres	Centralised	Centralised processing and contract management, field staff do compliance
Preferred allocation mechanism:	Tender for contracts, application for commercial use authorizations	Tender	Receive applications from the private sector	Direct award to communities, tender, auction and some direct awards with applicants in special circumstances	Application on a first come, first served basis. Capped opportunities through Expressions of Interest

files and databases. Which approach is taken does not actually matter, so long as only one system is used by all staff all of the time.

- Some countries are more sensitive than others about keeping details of commercial contracts confidential. If this is the case, then decisions

need to be made about where the file system is located and who has access to it. Concession staff will require frequent access to the file system.

- All the material relating to each concession (such as important emails, file notes of important

² Adapted from: Thompson, A. (2009) Scan of concessions systems and best practice: The United States, Canada, Australia, Namibia and New Zealand's fisheries management system. Unpublished report prepared for the Department of Conservation, New Zealand.

conversations, rent requests, correspondence, notes on important phone calls, applications, proposals, decisions, reports and contracts) should be stored, in date order (most recent on the top), in paper and electronic files. Each separate document in the file should be given a sequential number for easy reference. A copy of the contract can be placed in the inside front cover of the file for easy reference.

- Filing of material should be done continuously by each case manager. It should not be done once a month or every few months by someone else (e.g. a clerical assistant), as this will result in important material being lost, especially emails or file notes of phone conversations.
- Electronic copies of all key reports, letters and contracts should also be stored in a shared file system either within their own contract folder or by scanned or other electronic versions being added into a database. This means that other staff can access material when, for example, case managers are unavailable. The shared file system should be backed-up regularly. Storing material on the hard drives of individuals' standalone computers is unacceptable.
- When paper-based files become full, new 'volumes' of the files should be opened and the

'full' files stored in a secure but accessible place.

- Short-term permits (less than 3 months in duration) can be put on activity-based files. For example, short-term filming permits can have their own file and aircraft landings have another.
- Concessions often change hands, get bought and sold as companies merge or change focus. So, while one company owns a particular concession now they may not own it in the future. Also, larger operators will often hold a number of concessions, but each concession should still have its own file and file number. Contracts should also be given unique numbers, which makes it easier to track them through their life cycles.
- All original contracts should be kept in lockable, fire-safe cabinets, with scanned versions stored electronically. Contracts need to be clearly labeled and should not be removed from this cabinet.
- Copies of final contracts should be forwarded to field managers so they can manage and monitor the concession activity.

Two examples of issues facing filing systems are described in Box 8.1.

Box 8.1: Setting up a new filing system and resurrecting another after a devastating natural event

Establishing a new filing system

When Namibia's Ministry of Environment and Tourism established its concession section, no one knew how many previous concessions had been granted. Files and contracts had to be located and retrieved from the Director's and Minister's offices and from other staff. Eventually, over 40 concession contracts were found. A centralised file system was established, the contracts were copied and stored properly in a fire-safe cabinet, and a spreadsheet was developed to record all approved concessions and all applications under consideration. A revenue audit was carried out which highlighted that one-fifth of concession fees had not been paid. These were duly requested from and paid by concessionaires. After 6 weeks, and the recruitment of some staff, the concession section was ready to start business. There was, and still is, a lot to do, and many more systems and processes need to be developed, but with this administrative foundation in place, work could begin.

Coping with a disaster

The earthquakes that struck Christchurch, New Zealand in 2010 and 2011 forced Department of

Conservation (DOC) staff to immediately evacuate shattered buildings and most were never allowed back in. Because DOC had a reasonable national 'permissions' database that stored contact details, processes, and key reference material, information on the concessions managed in the Canterbury region was not lost. The database information was all backed up by a robust paper-based filing system that, after some months, was finally recovered from the building it was stored in, being brought out by specialist teams that were allowed back into the damaged building for very limited periods. Information retrieval had to be prioritized—computers and files were the first priority.

Databases can help

Contracts and files may be sufficient for managing individual concessions, but spreadsheets and databases are needed to provide a collective view and manage the concession business as a whole. A small concession portfolio can be easily managed using an excel spreadsheet; however, larger portfolios will require their own database system. There are a number of key questions that concession managers are regularly asked and having a database with up-to-date data is an essential tool. Questions include:

- How many concessions are managed (for the Minister and public)
- How many lodge concessions or 4x4 concessions are approved (for planners)
- How many concessions are in a particular area or park (for protected area managers)

The database can be used to help with workload management, reminding staff when certain tasks are due (e.g. monitoring visits or rent reviews; revenue management, including who is due to pay fees by when; reminding concessionaires that they need to reapply for their concessions because they are about to expire). It can also assist with tourism planning and the management of impacts.

The database must have a section or status for 'approved and operating' concessions and a section or status for 'applications' that are being considered. The applications section should include a field that specifies who the case manager is and what stage the application is at in the consideration process. This will allow a concession manager to manage the workloads among staff and ensure applications or tenders are run efficiently.

Building databases is an art and business in itself; they can be designed to store and report on large amounts of data. However, there is a trade-off between what data to collect, store and report on and the cost of doing this. A good guide to use when designing any database is to determine what is the essential information required to allow the database to provide the reports concessions staff need to manage their concessions and inform their managers. Once the reports are designed, the 'input' and data collection side of the database can be built. Experience has shown that the minimum essential dimensions of information needed in any concessions database are:

- Who (operator, names, contact details, legal and trading names)
- Concession (number and file, status: approved, expired, pending, type: lease, license, permit, easement)
- What (the main activity or primary service: tourism, telecommunications, filming; detailed activity: guiding, aircraft, 4x4, lodge)
- Where (the precise location, the national park, agency administrative area and region, may include GIS location)
- When (the duration, start and end dates)
- How much (the fees that should be paid, when they should be paid, rental formula, amount paid last time, rent review data)
- Other management tasks, such as when there should be a monitoring visit to the operation
- Other fields, which may include: case manager, general comments, when the concession should be monitored, compliance issues, what step the application or tender is at in the consideration process.

If the protected area agency has a sophisticated database, then electronic copies of contracts, reports and photos, along with GIS location data, can also be stored in it. Information like GIS locations can then be integrated with other spatial data on recreation or biodiversity information, which will help monitoring and impact assessment processes. Some protected area agencies (e.g. the US National Parks Service) maintain registers of approved concessionaires on their websites, while others take this a step further and actively promote their concessionaires' services. In either case, this web-based information should be automatically updated from the concessions database.

There is another golden rule for databases: 'garbage in, garbage out!' In short, the database will only be as effective as the poorest information it contains. It must therefore be accessible to all concession staff and they must maintain the data for the cases they are responsible for. Maintaining

up-to-date, accurate data should be a basic performance requirement for concession staff. Another consideration is should a protected area agency build its own database or should it purchase and adapt an existing 'off the shelf' product that can easily connect with other systems such as GIS or financial systems? Agencies should also think about their likely future use of databases and not just what they need today.

A protected area agency may also like to maintain an 'investment register' of opportunities that have been identified but not yet allocated. This may include new or speculative opportunities, opportunities to readapt historic infrastructure such as buildings or lighthouses, or even specific concessions that have been 'banked' so they can be awarded at a later date. Box 8.2 provides a brief description of the areas covered when the Department of Conservation in New Zealand set up its permissions database.

Box 8.2: Setting up a database for concessions and related activities

The Department of Conservation in New Zealand specifically built its permissions database to manage all concessions, marine mammal watching permits, mining activities and wildlife permits. It was set up to have three main operational functions. Firstly, it was to be a register of all concessions that have been granted and those that are pending. Secondly, it was to act as a workflow and finance management tool so that workloads could be managed between staff. Thirdly, it was to be a reporting tool, providing information to staff, managers and the public. The database was designed as an analysis tool to help staff and managers better understand how concessions activities relate to biodiversity and recreational values. The permissions system is integrated into a number of other Departmental IT systems, including finance, GIS, document storage and recreation asset systems.

Permissions

Welcome to **Permissions**

Changes made to the database 24th June 2014

Read about the latest changes here [DOCDM-1403483](#)

Including:

- Search by SAP Customer ID
- Search by description
- View permissions held by a contact

and more...

Useful Links

["NEW" Permissions Help](#)
["NEW" Permissions Online Training](#)
[Concessions SOP](#)
[Concessions SOP Guidance](#)
[Contract templates on DQ internet](#)
[HelpDesk](#)
[Presentation on new task functionality](#)

View my tasks

Recent Permissions

Permission	Permission Number	Status
Combing tracks - Maroonage, Caribou, Southwest	CA-29909-GUI	Withdrawn
Stand building on Flamingo Island	CA-18956-AOC	Pre application
Water pipe across two ponds at the Trestle Dam	CA-18087-OTH	Pre application
Guided photography tours	CA-12004-GUI	Withdrawn
E-mail enquiry about applying for tenting concessions in celebrity concessions	CA-29325-GUI	Withdrawn
Email sent following up advertising of posted listing info in RZ	39160-GUI	Pre application
Guiding/Educator Leadership School activities	37022-GUI	Pending
Harvest of tree stumps	CA-21589-OTH	Pre application
equipment	CA-21359-OTH	Pre application
Pre-application request for taking school children into Haineski Park throughout South Albers	CA-12088-GUI	Withdrawn

Department of
Conservation
To Protect our World

Who should collect concession fees?

It is important that there is a separation of function between concession staff and the invoicing, collection and banking of concession fees. The separation of these functions is standard accounting practice to ensure concession staff are not exposed to allegations of inappropriate behaviour. For these reasons it is vital that protected area finance staff do the day-to-day invoicing of concession fees. If there is a problem with a concessionaire not paying their fees, then this becomes a contractual matter, so concession and finance staff should then work together to resolve the issue.

Concession information on websites

To assist people who are interested in investing in protected natural areas and to maintain public

confidence in commercial arrangements on public lands, each protected area agency should maintain a range of concession information on its website. Generally, the more open and transparent an agency is with such information, the more it will inspire public and commercial sector trust. These days, websites are often the primary public face of protected area agencies, so people will judge an agency by the way it presents itself and how transparent it is. Box 8.3 lists information that is commonly presented on protected area agency websites.

Table 8.3 and Box 8.4 highlight where protected area agencies have done a good job providing information to the public and concessionaires. Another example is also provided where some small improvements could make a big difference.

Reporting on concessions

If protected area agencies operate a concession system, then it is not sufficient that the system

Box 8.3: Information about concessions that is commonly made available on protected area agency websites

- A concessions homepage
- A description of what a concession is
- Benefits to operators, visitors and the protected area agency from concessions
- How to apply for a concession
- Processes, costs and timeframes
- Application forms that can be down loaded
- Policy and plans
- Decision-making criteria
- Safety and environmental considerations
- Register of approved concessions
- Promoting concessionaires on the protected area web pages for the areas where they are approved to operate
- Prospectuses and tenders (these are also put on other general government tender websites)
- Facts about concessions (e.g. how many the agency manages, total revenue, number of concessions considered and approved in the last 12 months)
- Information and tools for concessionaires (e.g. interpretation information and tools)
- Contact details
- Activity-specific information such as filming, sporting events, marine mammal viewing
- Newsletters to concessionaires
- Profiles of concessionaires who contribute directly to conservation
- Managing a concessions, agency and operator responsibilities

Table 8.3: Examples of concession information on protected area agency websites.

Protected area agency and website address	Concession web content
United States National Parks Service (NPS) www.concessions.nps.gov	The NPS has an excellent website that communicates openly to the public about the systems and process it uses. Logins for operators are provided, new prospectuses are featured, and audit and monitoring tools are available for downloading. Law, regulation and policy information is available, contact details are given. The NPS collects concessionaires' financial and employment information and is able to show the size and economic importance of this business sector.
Great Barrier Reef Marine Park Authority (GBRMPA) www.gbrmpa.gov.au www.onboard.gbrmpa.gov.au	The GBRMPA has an impressive web presence that is very helpful to operators and the public. Zoning and planning documents are found easily, application forms are provided, including information on application costs and processes. The online operators' hand book 'Onboard' is an excellent approach, as is the 'Eyes and Ears' incident reporting system.
Ministry of Environment and Tourism, Namibia www.met.gov.na	Tenders are advertised and some of the concessions that have been awarded are listed. Details of decision-making processes and bodies, forms or operator guidelines are not provided. Concession Unit contact details are not provided. While useful information is available, the site could be made easier to use and further key information provided such as their concession policy. Making the site more user-friendly would help to inspire public and commercial confidence.

Box 8.4: Enhancing the brand and promoting concessionaires

The Department of Conservation in New Zealand has created a label for approved concessionaires (right) that “...symbolises the significant contribution tourism and recreation businesses make to conservation in New Zealand. DOC values these businesses and wants visitors to know that a percentage of their ticket price goes directly to DOC to support conservation. These businesses have passed environmental and safety standards set by DOC, and have been approved to operate in public conservation areas. You’ll only see the DOC Approved label used by businesses with a current legal agreement with DOC. Look out for them, and when you use their services be proud that you are making a contribution to conservation in New Zealand.”³

This label can be used on a concessionaire’s brochures and websites. In addition to providing this label, when DOC promotes national parks or other locations on their website, they also promote the approved concessionaire services that are available and provide links to the concessionaires’ websites.



operates successfully—it must also be able to show that it does to senior managers, government ministers and the wider public.

Success is determined by having clear goals and objectives and being able to demonstrate that these are being achieved (see Chapter One). To demonstrate success, protected area agencies must measure and report on aspects of their concession business. In addition, for many public agencies, some level of reporting is required by government to demonstrate the value of public investment and expenditure.

Measurement and reporting helps everyone to understand the size and scale of the concession business, fostering trust, confidence and transparency and helping decision makers, managers and the public to think strategically about the overall business and not just about individual concessions as they arise.

However, there are some pitfalls to measurement and reporting. Data collection can be expensive for all parties and it is very important to measure what is meaningful and useful and not just what is easy to measure. Care is also needed when reporting what has been achieved as the outcomes

associated with concession work are often influenced by wider factors outside a protected area agency’s (or concessionaire’s) control (e.g. weather, state of the world and local economy, the country’s popularity as a tourism destination). In addition, the amount of investment can vary between concessionaires.

This section presents some of the measures that are often used and reported on by protected area agencies in relation to their concession work.

Before choosing reporting measures consider:

- Who is the audience and what will the information be used for?
- How will the data be collected?
- How often it is needed (quarterly, annually or every 3–5 years)?
- Who will provide and collect the information?
- How much will it cost both concessionaires and the agency to provide and summarize the information?

The minimum information that should be collected and that concession staff should be able to use for reporting is:

- Number of applications received / tenders run

³ Department of Conservation: <http://www.doc.govt.nz/about-doc/concessions-and-permits/concessions/about-concessions/doc-approved-label> (Accessed June 2014).

- Number of new concessions awarded
- Number of concessions managed
- Number of concessions managed by primary activity (e.g. guiding, accommodation, telecommunications, filming, aircraft, boating etc.)
- Cost recovery and revenue earned

There are also measures for inputs, outputs and outcomes. The aim of good measurement is to have measures for 'inputs' that readily scale up to be 'outputs' and then 'outcomes'. Table 8.4 outlines some examples that can be used. It is likely that protected area staff and managers will be most interested in input and output measures while their

directors, political leaders and the public will be interested in output and outcome measures. It is far too complex and expensive to measure everything. It is better to have fewer, accurate and robust measures than many poor and unreliable ones. Ultimately, the measures chosen should relate to the key objectives of the concessions system and demonstrate whether these objectives are being met or not.

Releasing concession information to the public

In the absence of clear national laws and policy on what publicly-held information can be released, protected area agencies will need to determine

Table 8.4: Examples of measures for reporting on concessions.

Input	Output	Outcome
1. Applications received 2. Full time equivalent staff	• Applications processed to time and cost standards • Staff time per application - efficiency output	• Reduced compliance costs for concessionaires • Satisfaction with processes
1. Rent reviews undertaken 2. Cost recovery earned 3. Revenue earned	• Increased income • Cost of running the concession business	• Income for conservation
4. Number of monitoring visits undertaken	• No of significant impacts managed	• Little or no negative impact on conservation values
5. Concessions managed 6. New concessions awarded	• Number of businesses supported	• Socio-economic impact of concessions and protected areas
7. Number of staff employed on a full time equivalent basis by each concessionaire	• Number of jobs created or associated with conservation	
8. Percent of local people employed 9. Training offered by concessionaires to local community 10. Equity and income to communities	• Level of community empowerment	
11. Gross income from each concessionaire 12. Capital investment	• Gross income from all concessions • Total capital investment	
13. Number of visitors for each concessionaire 14. Activities undertaken 15. Locations visited	• Visitor days by activity and location for all concessions	• Quality visitor experience (including interpretation) provided • Long-term support for conservation initiatives
16. Conservation partnerships established with concessionaires	• Number of conservation projects undertaken or supported	• Species saved, pests eliminated, hectares weeds-controlled

what concession information it thinks is appropriate to release and what needs to be withheld because it is commercially sensitive or even damaging.

Making information about concessions available tends to reduce the public’s concerns about commercialization of protected areas, and any antagonism associated with these concerns. The author’s experience is that when information is shared, there is an initially high level of interest, but this soon drops away as people realise the information is readily available. The greater the disclosure, the more public confidence there is in the concession function. Most people requesting information will respect the need for withholding some commercial information. To start building public trust and confidence in the function, the protected area agencies should develop web pages that:

- Provide a list of approved concessionaires
- Includes key reporting information such as the total concession revenue earned by the agency
- Shows what concession opportunities are out for tender and what large-scale concession opportunities are being processed and open for public comment

Concessionaires will claim that most information about individual concessions has a degree of commercial sensitivity, so if it was up to the concessionaires to decide, very little information would be released. However, this has to be balanced against the interests of the public. The reality is that very little of this information is actually commercially damaging if it is released. The important point here is that concessionaires need to be confident that when they do provide information that has the potential to be commercially damaging or to put them at a disadvantage, the agency has the ability to recognize this and decline requests for its release.

Therefore, a balance is needed between what information may have some commercial sensitivity, but is in the public interest to release and what needs to be withheld because it could be damaging. If an agency is in doubt about whether to release specific information, they can provide the concessionaire with the request and ask whether the release of the material is potentially damaging. Table 8.5 can be used as a guide to help establish this balance.

Table 8.5: Deciding which concession information may be released or should be withheld.

Information that can generally be released	Information that could be commercially damaging and should not be released
<ul style="list-style-type: none"> • Fee formulas for a specific concession • Generic fee formulas for different activities • Total maximum number of visitors allowed for any one concession • Specific concession contracts • Generic contract templates and contract conditions • Total annual revenue earned by the protected area agency, also broken down by location or activity (so long as it does not identify any one concessionaire) • Final reports on whether a concession should be awarded • Schedules of concessions awarded and those being considered • Draft and final planning documents that identify future potential concession opportunities • Reports and recommendations on how the concessions system can be improved • Monitoring results 	<ul style="list-style-type: none"> • A concessionaire’s gross turnover • Costs or number of staff employed by individual concessionaires • Actual fees paid by individual concessionaires⁴ • Concessionaire’s number of clients or customers • Operational documents such as safety plans, long-term development or business plans—these belong to the concessionaire • Details of tenderers’ bids • Draft reports prepared by a protected area agency assessing whether a concession should be awarded—unless these are deliberately released as part of the process before a final decision is made • Details of innovative proposals that have high levels of intellectual property associated with them—this will need to be realised at some point but not in the formative part of the process • Private details (names, addresses or contact details) of staff or concessionaires • Details of some audits and compliance investigations

⁴ Note the USNPS routinely provides information on the gross income and fees paid by each concessionaire; however, they do not release cost information or other operating expenses.

Safety and concessions—whose responsibility is it?

“The pleasure of being alive is brought into sharper focus when you need to pay attention to staying alive”⁵

The above quote helps us to realize that being in the outdoors is good for people’s health and well being. In an excerpt from an article by the Mountain Safety Council of New Zealand⁶ ... Steve Gurney, nine-times winner of the Coast to Coast multisport event (a concession), was quoted as saying we are becoming increasingly bubble-wrapped in an overregulated society by eliminating all risk, kids are missing out on getting the experience of how to judge risk.

In the same article, Darryl Carpenter, Chief Executive of the Mountain Safety Council said: “The outdoors is neither good or bad, risky or safe. The outdoors is the outdoors. It’s the decisions that people make and the risks that they take, before, during and after, which produce a good or bad result ... It’s not about locking up the outdoors, it’s about standing up and taking personal responsibility for our actions as we do elsewhere in our lives.”

Risk and the outdoors are intrinsically linked. Certain levels of risk are good—the thrill and excitement are all part of having an adventure in the outdoors. The perception (and reality) of being on the edge is what makes the great outdoors a special place, whether it’s a first time family venture into the bush, a multi-day hiking and camping trip or an extreme adventure experience.

Many protected area agencies understand that in addition to providing safe facilities for visitors they also need to provide a safe workplace for their staff and ensure that their contractors do the same. New Zealand’s Department of Conservation (DOC) learnt this the hard way in 1995 when a staff member and 13 tertiary students died when a viewing platform over a gorge at Cave Creek collapsed. DOC now takes great care to ensure the facilities it provides (such as walking tracks, huts, bridges and other structures) meet required service standards, are inspected regularly and are safe for visitors. Running parallel to ensuring that outdoor

facilities are safe is the principle that visitors are responsible for their own safety. While DOC supports this approach, it also works to identify hazards and raise visitor awareness of the risks present and the level of skill and competence they require to cope with these risks.

From a concession perspective, visitors who use a guide or commercial operator are contracting a service and experience. Visitors generally expect part of that service to include a safe experience that will not result in any harm to them. Some outdoor activities such as bungee jumping are based solely on high levels of ‘perceived’ risk rather than actual risk, while others, such as heliskiing or even horse riding, often have higher levels of actual risk. There are two broad issues that a protected area agency needs to address in relation to safety and its concessionaires—what responsibilities does the agency have and how does it discharge these.

As a grantor of a concession, what legal and moral responsibility does a protected area agency have to concessionaires and their clients? This is sometimes a difficult question to answer, but the result will depend on the laws of the country. If a protected area agency has a legal or moral responsibility, how should this be discharged? The important issue here is that this responsibility needs to be discharged without incurring even more responsibility. For example, if an agency has a very slight and indirect responsibility for the safe operation of concessions, and in discharging this they set the safety standards and then police adherence to these standards, then they have, by default, incurred a greater level of responsibility and liability. It is almost impossible for protected area agencies to be the safety experts in all concession activities (e.g. guiding, hot air ballooning, hotels, ski field operations, boating, airports), so they should not attempt to—not even in part. Being expert in some areas sets up the expectation that agencies should be responsible for all activities.

There are three key approaches that a protected area agency can consider to discharge its safety responsibilities with concession operations:

1. Most countries have building codes and civil authorities (e.g. for aviation) that are established to ensure public safety. Where these are available, a condition of the concession should

⁵ Louv, R. (2011) *The nature principle: human restoration and the end of nature-deficit disorder*. Algonquin Books, USA.

⁶ Corrigan, A. Lock up the outdoors. Mountain Safety Council of New Zealand: <http://www.mountainsafety.org.nz/get-outdoors/Insider-info/Articles.asp> (Accessed March 2014).

require the concessionaire to comply with all applicable laws and regulations. There is generally little else the protected area agency should do in these circumstances. This approach applies particularly to construction, food services, aircraft and boat operation and all high-risk outdoor activities.

2. Many industries have their own international or national standards that can be applied. For example, there are internationally recognized skills and qualifications in place for climbing guides. Again, concession contracts should be designed to require these qualifications and standards. In some cases, protected area

agencies may also wish to encourage industry groups to develop their own safety standards. This is preferable to agency staff (who in some cases may have some expertise) developing these standards. Safety standards should be industry owned and led.

3. Where neither of the above situations apply, protected area agencies generally still take the approach that they have a legal, or at least moral, responsibility to ensure visitors are safe when with concessions operators. The following case study highlights how one agency deals this with situation.

Case study: Independently audited safety plans

In New Zealand, there are many adventure-based concession activities such as bungee jumping, jet boating, rafting and heliskiing. The Department of Conservation (DOC) insists that all concessionaires have a safety plan, which is independently audited by an appropriately qualified safety expert prior to the concessionaire being allowed to commence their operation. DOC believes it is more appropriate for the commercial recreation and tourism sectors to set their own safety standards for the wide array of concession activities they operate and to take full responsibility for their clients' safety and hazard management. DOC believes it is not competent to set safety-related standards or judge the quality of safety plans, so it requires these to be checked by independent and qualified auditors. Over time, the auditors themselves took charge of ensuring they were qualified and formed an association to guarantee they were all auditing to the same quality standard. The advantage of this system is that DOC has ensured that concession operators have the right standards, processes and procedures in place to deal professionally with safety issues by accepting the advice of the safety experts (the auditors) without DOC having to take on roles for which it is not set up and qualified.

In the field, DOC staff generally do not review or inspect safety issues relating to concession activities. Instead, the focus is on managing and inspecting the impacts of the activity and building a productive working relationship with operators. However, if DOC staff observe any obvious unsafe act or behaviour or faulty equipment, they then have a moral obligation to act on this. Generally, staff are advised to:

1. Immediately bring the problem to the attention of the concessionaire and local DOC manager.
2. If necessary, concession staff may then request that an auditor or appropriate independent expert be brought in, at the concessionaire's expense, to evaluate the concession operation and the concessionaire's compliance with (or the appropriateness of) the safety plan.
3. If an act, behaviour or equipment is presenting a clear and present danger to clients, concession staff should also consider whether or not to have the concession suspended until the operator remedies the situation and an auditor or appropriate safety expert, or an engineer, has approved the actions taken by the concessionaire to correct the situation.

Template safety plan for concessionaires⁷

The specific requirements for a safety plan will vary depending on the nature of the activity. Safety plans do not generally need to be provided until a concession is approved, but they must be provided before they start to operate. One proven way for concessionaires to structure their safety plan is as follows:

1. Introduction
 - Sets up the scope of the plan and what it is trying to achieve
 - Identifies any relevant safety policies and goals of the safety plan
2. Legal obligations and industry standards
 - Identifies and, perhaps, summarizes any relevant legislation to give the plan a context
 - Details industry standards relevant to the type of operation
3. Management procedures
 - Details the management roles and responsibilities in relation to safety
 - Identifies accountability for safety within the operation
4. Operational risk management procedures
 - Details staff experience requirements, training, certification and re-validation procedures
 - Identifies the responsibilities of staff
 - Identifies and describes processes for hazard identification
 - Describes how staff-customer ratios are identified and, where applicable, prescribes these
 - Identifies and describes procedures for equipment maintenance, documentation and retirement
5. Accident/Incident Reporting
 - Describes the accident reporting and investigation processes
6. Emergency Plan
7. Identifies the procedures to deal with emergencies that may arise
8. Procedures for applying and updating the plan:
 - A statement about how often and when the plan will be reviewed
 - Outlines who internally and who externally will check that the safety plan provisions are being applied and how often these checks will be made

Safety plans need to address all known risks, but sometimes it can be difficult to anticipate what may happen in the future. This is highlighted by the example in Box 8.5.

Box 8.5: Destruction of Pafuri Camp in South Africa

Despite careful planning and a thorough EIA that authorized the development of Pafuri Camp on land owned by the Makuleke community in the north of the Kruger National Park, a flood that culminated on 20 January 2013 destroyed the lodge. The Luvuvhu River—a tributary of the Limpopo—rose well above the level shown in the photograph, undercutting the bank and inundating the plain in the background with water and silt. Recent expert predictions are for more frequent large floods in the Limpopo basin due to changing weather patterns. This is because tropical storms originating in the Indian Ocean are likely to track further south in the future, affecting areas previously thought to be at low risk of high rainfall. Climate change is likely to make planning for concessions increasingly challenging.

⁷ Adapted from Department of Conservation's Guidelines on Concessionaires' Safety Plans: www.doc.govt.nz/about-doc/concessions-and-permits/concessions/applying-for-a-concession/concessionaire-safety-plans/ (accessed April 2014).



In an exceptional flood Pafuri Camp was destroyed. Should climate change impacts now be considered when awarding concessions? Photo: P.J Massyn.

Insurance

Concessionaires will need to indemnify the protected area agency against any claim that may result from the operation of the concession. There are many types of insurance and the protected area agency's own insurer or the insurance industry is generally the best placed to give advice about the insurance types and level of insurance for each concession activity. In New Zealand, the main types of insurance relevant to concessions include:

- General Public Liability Insurance—this covers the named organisation and/or person(s) for legal liability in connection with physical loss or damage to third party property and/or bodily injury to persons resulting from the insured's negligence for which they become legally liable.
- Fire insurance—affords protection to the landowner and/or occupier named in the policy for firefighting costs that may be levied against them (the insured) on their land and neighbouring land.
- Exemplary damages (also called punitive damages)—to cover damages arising out of bodily injury
- Material damage / property insurance—A general form of policy covering loss or damage to buildings, plant and stock (e.g. a concessionaire that leases a building).
- Aviation and marine liabilities—To cover public liability arising out of the use of aircraft or water craft that is not covered by public liability insurance.

- Environmental impairment—a special form of pollution liability insurance which could be a requirement if the activity had the potential to cause environmental pollution—i.e. significant fuel spills, acid mine drainage, slips from earthmoving works.

In New Zealand, these types of insurance are applied according to the risk of the activity, either low, medium or high risk (Table 8.6).

Table 8.6: Example of insurance levels for some activities in New Zealand⁸

Concession type	Level of risk	Suggested cover required
Filming/photography (Large scale)	Medium	GPL \$2,000,000. F & RFAExtn \$1,000,000.
	High	Requires separate assessment for each case but the amounts above should be considered to be a minimum.
Filming/photography (Small scale)	Low	GPL \$1,000,000. F & RFAExtn \$250,000.
	Medium	GPL \$1,000,000. F & RFAExtn \$500,000.
	High	GPL \$2,000,000. F & RFAExtn \$1,000,000.
Guiding (Hunting and fishing)	Low	GPL \$1,000,000. F & RFAExtn \$250,000.
	Medium	GPL \$1,000,000. F & RFAExtn \$500,000.
	High	GPL \$2,000,000. F & RFAExtn \$1,000,000.
Guiding (Short guided walks)	Low	GPL \$1,000,000. F & RFAExtn \$250,000.
	Medium	GPL \$1,000,000. F & RFAExtn \$500,000.
	High	GPL \$2,000,000. F & RFAExtn \$1,000,000.
Guiding (Biking/kayaking/horse treks etc)	Low	GPL \$1,000,000. F & RFAExtn \$250,000.
	Medium	GPL \$1,000,000. F & RFAExtn \$500,000.
	High	GPL \$2,000,000. F & RFAExtn \$1,000,000.
Retail activities	Low	GPL \$1,000,000. F & RFAExtn \$250,000.
	Medium	GPL \$1,000,000. F & RFAExtn \$500,000.
	High	GPL \$2,000,000. F & RFAExtn \$1,000,000.
Aircraft transport	High	Consider that the level of risk for this activity will always be high. Suggest GPL \$2,000,000. F & RFAExtn \$1,000,000. In addition Aviation Liability of \$1,000,000 required
Water based transport	Low	GPL \$1,000,000. F & RFAExtn \$250,000.
	Medium	GPL \$1,000,000. F & RFAExtn \$500,000.
	High	GPL \$2,000,000. F & RFAExtn \$1,000,000.
Sporting events	Low	GPL \$1,000,000. F & RFAExtn \$250,000.
	Medium	GPL \$1,000,000. F & RFAExtn \$500,000.
	High	GPL \$2,000,000. F & RFAExtn \$1,000,000.
KEY: GPL = General Public Liability, F & RFAExtn = Forest and Rural Fires Act Extension		

⁸ Adapted from insurance cover levels and insurance definitions use by concession staff in New Zealand's Department of Conservation.

Managing other concession activities

Concession activities are not always related to recreation and tourism. They can and generally should include any commercial activity that occurs in a protected area. The planning and environmental impact assessment processes, concession contracts, rental and monitoring provisions relevant to recreation and tourism activities are generally very useful when a protected area agency needs to manage other commercial activities. This section highlights how telecommunication facilities, stock grazing, filming activities and viewing or swimming with marine mammals can all be managed through a concession framework. A range of other activities, such as power generation, underground services, weddings, and even bee hives, can also be considered—the principle is the same—all commercial activities can be managed together through one concession system.

Telecommunication facilities

Protected area agencies are often responsible for managing a number of strategically placed hill or mountain tops that can be used for commercially or state-owned facilities such as television repeaters, cell phone towers, internet and radio communication masts. The key with these activities is to manage their impacts so not all mountain tops end up covered in what can be considered ugly infrastructure. This is especially important in developing countries where there is little land line infrastructure and cell phone technology is expanding rapidly. Governments tend to view telecommunication services as vital for economic development, and telecommunication companies often have considerable political support, so protected area agencies need to have:

- Legal and policy requirements that these activities be authorized by concession processes or other similar mechanisms where impact management and contract expertise can be applied.
- A co-siting policy (putting telecommunication facilities together on one site or even on one mast on the same site) to prevent a proliferation of telecommunications facilities across the

landscape. Note that co-siting and sharing of facilities does sometimes encourage larger towers, but it can also minimize the number of masts, ensuring that all activity is concentrated to one hill top area. From an operator perspective: “Operators also support site sharing wherever viable. If operators are able to share sites, and install more equipment on each site, this reduces the overall visual impact of network infrastructure, because even though shared sites will tend to be slightly bigger, it means that fewer sites are needed to improve coverage and capacity, infrastructure becomes more feasible, and is more cost-effective to deploy. In fact, sharing of sites is now the norm, and network operators now share much of their network infrastructure via joint venture commercial arrangements.”⁹

- A policy of charging ‘market’ rentals. The commercial communications sector is a major player in any nation’s economy. It can and should contribute to the management of protected areas by paying ‘market’ rentals for its activities.
- Rentals based on the value of the commercial opportunity rather than the land area occupied. Telecommunications infrastructure generally uses a small land area but dominates the landscape with its tall towers. A commercial rental that incorporates an environmental loading (which is an additional premium applied when the activity is of particularly high impact) should also be considered for telecommunication facilities.
- Policy for access. Another significant impact related to the telecommunication activities is access. Roads built up to the site to service the facilities can have high impacts and servicing with helicopters may be a better option.
- The ability to react quickly to changing circumstances. Telecommunications technology changes rapidly. In recent years it has made significant progress in the ways it can shape and design telecommunications equipment. The following case study from the UK is an example of how operators and protected area managers can work together to develop a code of conduct which contains excellent information that can be applied in protected areas elsewhere.

⁹ Mobile Operators Association (2013) Code of best practice on mobile network development in England. Mobile Operators Association, UK. P. 24. <http://www.mobilemastinfo.com/best-practice/mobile-operators-code-of-best-practice-article.html>

There is considerable debate at present, but particularly in the USA, as to whether cell phone coverage should even be provided in national parks. The thinking behind this concern is that people should be able to enjoy the splendour of protected areas without disruption from the modern gadgets and communication methods that now rule

our lives. However, while these critics argue that cell phone signals do not belong in national parks, some park managers are also devising ways to use wireless technology to provide interpretative experiences as a way of engaging visitors to their parks¹⁰.

Case study: Code of Best Practice on Mobile Network Development in England

The following material is based on a series of extracts from the Mobile Operators Association Code of Best Practice on Mobile Network Development in England released in 2013¹¹.

With more than 82 million subscribers and an ever increasing demand for data-hungry applications that are available for a range of connected electronic devices, the pressure on telecommunications networks in the UK is constant. The Code of Best Practice recognizes that extra care is needed when installing equipment on listed buildings, within scheduled monuments or on structures and/or buildings located in areas of historic and architectural importance or in designated areas, such as National Parks, Conservation Areas, World Heritage Sites, Sites of Special Scientific Interest, or Areas of Outstanding Natural Beauty and registered parks and Gardens and Battlefields etc.

For sites located within a conservation area or a world heritage site, the siting and location of any apparatus can be critical to its visual impact. For companies putting forward proposals, the code states that special attention should be paid to the desirability of preserving or enhancing the character and appearance of the conservation area. For world heritage sites, attention should be paid to the protection of the 'outstanding universal value' of the site—which would be set out in the inscription of the world heritage site by the World Heritage Committee. Any proposal should be judged against the potential harm it would cause to the designated heritage asset. The code goes on to present a number of principles, commitments and design principles that are useful can be applied by protected area managers managing concessions for telecommunication facilities.

Principles:

- A commitment to work together to locate base stations on existing structures and to share sites wherever viable in order to reduce the need to build new masts on which to locate their equipment and to minimize the number of base station sites in the UK.
- Existing masts, buildings or other structures should be used unless the need for a new site has been justified.
- Where new sites are required, equipment should be sympathetically designed and camouflaged where appropriate.

Design principles are stated in the code:

- There should be proper assessment of the character of the area concerned.
- Design should be holistic and three-dimensional, showing an appreciation of context.

¹⁰ Wall Street Journal, accessed June 2014 from <http://online.wsj.com/news/articles/SB10001424052702303843104579172193751198068>

¹¹ Mobile Operators Association (2013) Code of best practice on mobile network development in England. Mobile Operators Association, UK. <http://www.mobilemastinfo.com/best-practice/mobile-operators-code-of-best-practice-article.html>

- The near and far views of the proposed installation and to what extent these will be experienced by the public and any residents should be analyzed.
- Proposals should respect views in relation to existing landmarks and distant vistas.
- Proposals should seek to consider the skyline and any roofscapes visible from streets and other open spaces.
- Suitable designs, materials, finishes and colours should be chosen to produce a harmonious development and to minimize contrast between equipment and its surroundings.
- The options for the design used by an operator will be affected by site conditions, technical constraints, landscape features and coverage and capacity requirements. The main options would include:
 - Mast and/or site sharing
 - Installation on existing buildings and structures
 - Camouflaging or disguising equipment where appropriate
 - Using small-scale equipment
 - Erecting new ground-based masts
 - Painting masts to reduce contrast with their background
- Operators should consider the innovative use of colours and shapes. Some operators have been successful in disguising equipment and this practice should be encouraged wherever appropriate, even to the point where masts can be disguised as trees. However, the effectiveness of such disguises can be lost if installations are poorly sited or designed, so it is important that they:
 - a) Mix well with the existing local tree types
 - b) Are placed with groups of other trees, or
 - c) Are placed with newly planted trees.



Many protected areas include mountain tops that are useful staging areas for the telecommunications industry.

Telecommunication facilities can have significant landscape impact but can also be good revenue generators. In the USA there is significant debate around whether telecommunication services should be provided to park users because of its potential to interrupt the nature based visitor experience.

Stock grazing concessions

Awarding concessions to allow stock to graze in protected areas can also be contentious. It is often a traditional activity or something that may be allowed during times of drought¹², as a means of weed and fire control or to keep areas open for recreational access that would otherwise regenerate into thick forest. However, stock can irreversibly change vegetation structure, spread weeds, trample waterways and wetlands, reduce water quality and compete with wildlife for food and water resources. Stock can also increase conflict between people and wildlife if they attract predators¹³. Visitors can find it unpleasant to walk through areas recently grazed by cattle. For these reasons, grazing activities should only be considered if:

- They are used as a conservation tool to achieve particular conservation outcomes such as fire control. Otherwise, there is little rationale to allow grazing.
- They are needed for cultural, social or economic reasons in places where grazing is a traditional activity and where people are living inside the protected area (see the Mongolian case study below).
- They are kept to areas of low conservation value that are already modified or that have naturally evolved with stock.
- The number of stock units, type of stock and land area used are all controlled as part of the grazing concession.
- They are taken up by adjoining landowners who can provide access. Such areas have relatively low commercial value so a grazing concession is most likely only attractive to neighbouring

landowners as extension to their own farms. The competitive value of these opportunities is therefore limited by access.

- The areas in question are already highly modified and suited to grazing valuable stock, such as beef or dairy cattle that can generate a relatively high return. Such high-value grazing concessions can be tendered. However, if these areas are so modified as to offer little conservation value, then perhaps they should be sold or swapped for areas with higher conservation value.
- They exclude stream edges, lakes and wetlands from grazing. Where streams need to be crossed regularly, they should, where possible, be bridged to stop stock impacting on waterways.
- Concession conditions are set to ensure the farmer is responsible for weed control and fencing maintenance.
- Socioeconomic/traditional reasons—e.g. in places like Kenya.

Retiring areas from grazing, particularly areas that are overgrazed, can improve the recreational experience and assist natural recovery; it may also reduce erosion, improve water quality and even increase an area's ability to store water as grass or other cover improves. However, the removal of grazing can also result in an increase in weeds that were formerly held in check by stock.

Box 8.6 provides a checklist of the main points protected area agencies need to consider when deciding whether to award a grazing concession.

Box 8.6: Checklist to use when considering grazing concessions¹⁴

1. Is the land in existing pasture or farming use?
2. What numbers and type of stock are suitable for the location and land type (e.g. cattle cause more damage than sheep)?
3. Can the stock be effectively controlled (e.g. are fences in place)?
4. What adverse effects will the stock have on waterways, wetlands and riparian zones? Can these be avoided or otherwise minimized (e.g. stock can trample, erode and eat riparian vegetation and pollute water sources)?

¹² Western, D. (1997) *In the dusk of Kilimanjaro*. Island Press, Washington DC, USA.

¹³ MET (2009) National policy on human-wildlife conflict management. Ministry of Environment and Tourism, Windhoek, Namibia.

5. Will grazing have adverse effects on traditional cultural or recreational uses of the area?
6. Will the grazing or other farming activities cause erosion?
7. Is grazing needed for conservation management purposes (e.g. weed or fire control)?
8. Will grazing compromise the area's potential for restoration?
9. Can public access for recreational purposes be maintained?

Case study: Grazing in Mongolia's Orkhon Valley

In Mongolia, the ownership of stock and their movements for summer and winter grazing strongly define people's identity, their culture and financial situation. The land is treated as a 'common' and many people¹⁵ are concerned about the impact of overgrazing arising from either a) people increasing the size of their personal herds or b) commercial farmers with large herds roving wherever there is feed, even though this may be through other people's traditional summer grazing areas. Unfortunately, there does not appear to be any effective mechanism in place to manage the overuse of the communally owned land—a problem commonly referred to as the 'tragedy of the commons'¹⁶. This situation is putting more and more pressure on managers to allow seasonal grazing in core zones of protected areas such as the Orkhon Valley National Park.

If Mongolia decides to develop its own concession system, then it could be used to address overgrazing concerns. Developing a concession system would be a very large job, requiring appropriate law and policy to support it; however, either local or central government should address the issue. Under such a system, a grazing concession could be issued to local herder groups to allow



Ranger Ts Tumurkhuyag herds yaks out of a core conservation area in Orkhon Valley National Park, Mongolia.

¹⁴ Adapted from the Department of Conservation's Conservation General Policy 2005. Department of Conservation, New Zealand. Note: the New Zealand landscape before humans did not have large herds of grazing mammalian herbivores.

¹⁵ Thompson, A. (2011) Orkhon Valley National Park and Ik Nart Nature Reserve. Unpublished field trip notes and case study, prepared for United Nations Development Programme, Ulaanbaatar, Mongolia.

¹⁶ Hardin, G. (1968) The tragedy of the commons. *Science* 162: 1243–1248.

Ts Tumurkhuyag's home and ranger station. Ts Tumurkhuyag is one of only seven rangers covering the 364 538 ha Orkhon Valley National Park and is based at the Tuvkhun ranger station, at the gateway to the Tuvkhun Hermitage Monastery.



them to collectively manage their own activities (e.g. stocking levels and stock type). They could pay an annual fee to the protected area agency to cover the costs of administration, monitoring and compliance and to contribute to conservation outcomes. Using a concession system in this way would provide more sustainable conservation, cultural and social outcomes.

Filming activities

Filming in a protected area can provide good revenue to the protected area agency as well as promoting and marketing the spectacular scenery and other features that the protected area contains. In addition, the economic value to a region of large-scale filming activities can be considerable.

Filming activities include the production of feature films, documentaries and advertisements and film coverage of news and sporting events or even weddings. Generally, the more commercial and larger a filming job is, the higher the fees that can be charged. For example, documentaries and news events are not worth as much as feature films or advertisements. Table 8.4 shows the fee structure for applications and filming in Queensland, Australia. These fees reflect the size and potential effects of the filming job, but not necessarily the commercial nature of the filming activity.

It is essential that protected area agencies understand the economics of filming and have

a flexible approach to payment structures. If the film is a high-quality documentary that will provide useful marketing then the agency should be willing to reduce prices. Budgets for filmmakers such as the BBC and National Geographic have greatly decreased in the last few years and crews are generally very small. On the other hand, feature films or reality shows with large crews should be considered differently.

Film companies tend to operate within short, demanding time frames and they put considerable pressure on protected area agencies to respond rapidly to their needs. To a certain degree, this is the nature of the film industry and agencies need to adapt to this. Filming companies often do not mind paying slightly higher concession application processing fees if they get the service in the timeframes they need.

From an industry perspective, ensuring that film crews maintain responsible and positive behaviour at locations in protected areas helps to retain access for the film industry to those locations. Film

crews should be aware that they are filming in areas that have been protected for their particular values and attributes, and that access to those areas can be withdrawn if harm is caused during filming.

Conditions in a filming permit are the main mechanisms by which the values of the location are protected. These conditions need to be circulated to and understood by all of the film crew.

Most park agencies want some credit in the film or documentary to recognise the access and rights that have been provided. In British Columbia, the following credit is built into permit conditions¹⁷:

*Filmed in _____ Provincial Park/
Recreation Area, British Columbia, Canada*

Large crews with special effects gear, helicopters and other vehicles, film sets and support infrastructure, combined with the need to do several takes in the same area, can have substantial impacts on the ground surface, landscape, cultural values and recreation experience of other park visitors. Advertisements showing the latest 4x4 vehicle motoring over sensitive areas can often demonstrate the very behaviour that protected area managers want to discourage. For these reasons, protected area agencies need to carefully manage filming activities, with prompt and decisive responses when problems occur.

Box 8.7 provides an example of economic and other benefits that can accrue from the use of protected areas for filming feature films, as demonstrated by the Lord of the Rings trilogy in New Zealand.

Box 8.7: The impact of the Lord of the Rings films on the number of visitors to New Zealand

Much of the filming for the Lord of the Rings trilogy (and the subsequent Hobbit series) took place in New Zealand in protected areas. Tourism New Zealand built a marketing campaign around the concept of 'Middle Earth' to leverage off the publicity and imagery the films generated¹⁸. This marketing campaign and the films themselves significantly raised the profile of New Zealand as a tourism destination, which resulted in significant benefits. Research completed by the New Zealand Institute of Economic Research¹⁹ found international visitor arrivals increased significantly:

- Holiday arrivals from the USA, a key target market for the Middle Earth campaign, increased 14.1% from the same period the previous year (2012).
- The international visitor survey showed that 14% of visitors on holiday in New Zealand stated that The Hobbit was a factor in stimulating their interest in New Zealand as a destination²⁰.
- Thirteen percent of international visitors in the period from January to September 2013 took in a Hobbit experience while in New Zealand, including group tours specifically visiting film sites, including Hobbiton.



¹⁷ British Columbia Parks, Commercial Filming Policies: http://www.env.gov.bc.ca/bcparks/permits/pdfs/commercial_filming_permits.pdf (accessed May 2014)

¹⁸ For further information refer to <http://www.tourismnewzealand.com/sector-marketing/film-tourism/100percent-middle-earth/>

¹⁹ NZIER (2014) 2013 Western market visitor growth: what explains the increase in advanced-economy visitors? New Zealand Institute of Economic Research, L13 Grant Thornton House, 215 Lambton Quay, Wellington, New Zealand.

²⁰ Tourism New Zealand: <http://www.tourismnewzealand.com/sector-marketing/film-tourism> (accessed June 2014).

- The International Visitor Survey from 2004, completed following the release of the Lord of the Rings trilogy, found that 6% of visitors to New Zealand (around 120 000–150 000 people) cite The Lord of the Rings as being one of the main reasons for visiting New Zealand.
- One percent of visitors said that the Lord of the Rings was their main or only reason for visiting. This 1% accounted for approximately NZ\$32.8 million in money spent.
- In 2004, 63 200 visitors participated in a Lord of the Rings activity while in New Zealand.
- Since 2004, an average 47 000 visitors each year have visited a film location in New Zealand.

British Columbia Parks have useful information on different forms of special effects, some of which can be quite destructive in protected areas. This information includes policy on the use of artificial snow, crash scenes, explosions and helicopters²¹. Similar detail is also provided in a code of practice developed between the New Zealand Film industry and the Department of Conservation²². For an example of a typical filming code of conduct refer to Appendix 8.1. These codes are often jointly developed between protected area agencies and the film industry. They help to promote the right behaviour in an easy-to-read and use manner, and help to form the main permit conditions of a filming concession. Failure to comply with these codes can then lead to a suspension or revocation of the permit and refusal of any future permits.

Because of the intensity of larger filming jobs and the fact that they are generally outside the norm,

protected area agencies should dedicate a staff member or a contractor to monitor activities. The role of the monitor is an important one, not only to ensure the values of the location are protected but also so the film production company can discharge their responsibilities under the filming permit.

Film crews should make all efforts to assist the monitoring person in their job, and to follow any directions given by the on-site monitor. Monitoring staff need to make the same effort to be customer-focused and to conform to filming schedules and production protocols. The cost of the monitoring person should be recovered from the filming company and should be over and above the commercial fees for the permit.

Details of the fees structure applied for filming in national parks in Queensland, Australia are supplied in Table 8.7.

Table 8.7: Fee structure for applications and filming; adapted from the commercial filming and photography in national parks, recreation areas and forests in Queensland, Australia²³.

Fees for filming and photography when structures are involved (A\$)		Fees for filming and photography—no structures (A\$)	
Application fee			
1–5 people	\$153.30	1–10 people	No permit or fee required
6–25 people	\$760.00	11 or more people	\$305.50
26–50 people	\$1526.00		
51 or more people	\$3063.00		

²¹ British Columbia Parks (2009) Commercial Filming Guidelines, Parks and Protected Areas Division: <http://www.env.gov.bc.ca/bcparks/permits/film/docs/commercialFilmingGuidelines.pdf> (accessed May 2014)

²² Film New Zealand and the Department of Conservation (2009) Filming on Public Conservation Lands: <http://www.doc.govt.nz/Documents/about-doc/concessions-and-permits/concessions/code-of-practice-filming-on-public-conservation-lands.pdf> (accessed May 2014).

²³ Commercial filming and photography in national parks, recreation areas and forests, Queensland Government, Australia: <http://www.business.qld.gov.au/industry/tourism/parks-recreation-forests/filming-photography> (accessed May 2014).

Fees for filming and photography when structures are involved (A\$)		Fees for filming and photography—no structures (A\$)	
Permit fee per day			
1–5 people	\$153.30	1–10 people	No permit or fee required
6–25 people	\$760.00	11 or more people	\$153.30
26–50 people	\$1526.00		
51 or more people	\$3063.00		

Dolphin and whale viewing and swimming with marine mammals

Whale, dolphin and other marine mammal (e.g. fur seals, sea lions) watching is a large and growing industry worldwide. A recent (2009) study shows more than 13 million people took whale watching tours in 2008. The 3000 whale watching operations represented in this statistic operate in 119 countries, generate a significant (US\$2.1 billion) total expenditure and employ an estimated 13,200

people. The whale watching industry in Asia, the Pacific, South America, the Caribbean and Europe has grown dramatically in recent years, significantly outpacing global tourism growth rates²⁴.

Like many industries based in protected areas or focused on wildlife, marine mammal watching operations can have a number of benefits and a number of negative impacts if they are not managed well. Table 8.8 illustrates some of these²⁵.

Table 8.8: Impacts and benefits of marine mammal watching.

Benefits	Impacts
<ul style="list-style-type: none"> ✓ Provides a viable economic alternative to extractive uses of marine mammals (such as whaling). 	<ul style="list-style-type: none"> ✗ Disturbance by boats and people may affect animal foraging, feeding and resting patterns. ✗ Boats may separate mothers and calves.
<ul style="list-style-type: none"> ✓ Helps fund a number of scientific activities that would otherwise be too costly for the scientific community to undertake. ✓ Generates funds for cetacean (whale and dolphin) conservation activities, particularly when tourists are willing to pay a premium price in order to ensure that a contribution to cetacean conservation is made. ✓ Provides a medium for increasing awareness of cetacean conservation issues, leading to behaviour change on the part of participants, encouraging them to adopt more environmentally friendly behaviour. 	<ul style="list-style-type: none"> ✗ Motor noise from may drive cetaceans to other locations or alter other natural behaviour. ✗ Boat strike can result in injury or death. ✗ Swimming with mammals may cause them to move to quieter locations and affect feeding and breeding patterns. ✗ Feeding of can change natural behaviour and promote habituation, dependency and aggression toward humans. ✗ Frequent interaction can result in habituation and aggressive behaviour toward humans.

²⁴ O'Connor, S.; Campbell, R.; Cortez, H.; Knowles, T. (2009) Whale watching worldwide: tourism numbers, expenditures and expanding economic benefits. A special report from the International Fund for Animal Welfare, Yarmouth MA, USA, prepared by Economists at Large: www.ifaw.org/whalewatchingworldwide

²⁵ Garrod, B.; Fennell, D.A. (2004) An analysis of whalewatching codes of conduct. *Annals of Tourism Research* 31(2): 334–352.

**Bottlenose Dolphin
in Doubtful Sound.
Photo: Helen Kettles**



To be truly sustainable, activities like these need to be managed properly through a concessions or permitting system backed up by the relevant law and regulations. Publications like the *Whale Watching Blueprint: Setting up a marine ecotourism operation*²⁶ and codes of conduct can be developed and agreed to with operators and this can help to fill the regulatory void while more formal, national regulations are developed and introduced. However, codes of conduct on their own will never be sufficiently robust, so they should be used in conjunction with some form of legal agreement such as a permit or concession.

In relation to these activities, protected area agencies or the government body responsible for issuing permits needs to carry out permitting research, monitoring and compliance activities as well as other measures to protect and enhance whale and dolphin populations and their habitat. The tourism industry can help to raise awareness of the plight of marine mammals, but should also help fund the above activities. In Egypt's Samadai Reef area, a service fee system has also been implemented, which raises more than US\$500,000 per year for the local government. These fees are used for the ongoing management of Samadai, maintenance and conservation programmes²⁷. In other cases, such as Samana Bay, Silver Bank and Navidad Bank in Santo Domingo in the Dominican

Republic, marine mammal viewing takes place inside a marine protected area and entrance fees are charged. In New Zealand, the Department of Conservation issues marine mammal viewing and swimming activity permits. The Department is able to charge 'cost recovery' for processing permit applications and the cost of undertaking research on impacts, but it is not able to charge a rental for activities²⁸.

While there is ample evidence in the literature of measures being implemented to minimize the impact of tourism activities on marine mammals, there appears to be very little evidence that protected area agencies are able to use tender or auction mechanisms to allocate permits so that they: a) get a true idea of the market value of these commercial opportunities and b) are able to limit the number of commercial operations or vessels that interact with marine mammals.

The Australian National Guidelines for Cetacean Observation have some very useful examples in them that highlight how aircraft and vessels should behave around whales and dolphins; these are illustrated in Figure 8.5.²⁹

Box 8.8 describes the implementation of a code of management designed to reduce the impact of vessels on bottlenose dolphins in New Zealand.

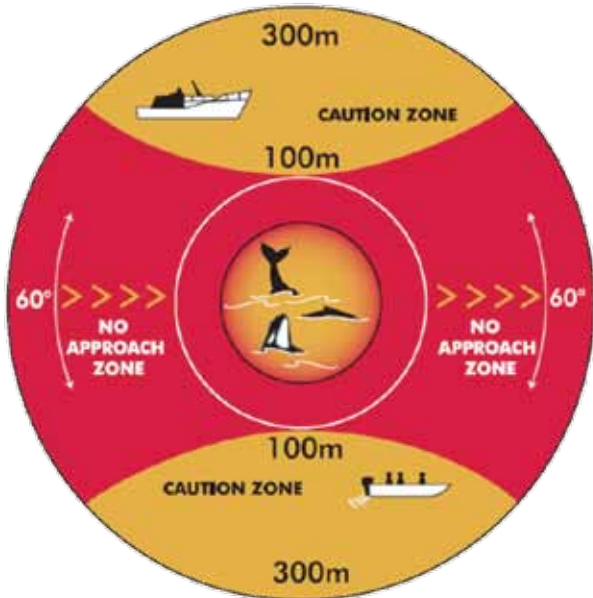
²⁶ Hoyt, E. (2012) *Whale Watching Blueprint – I. Setting up a marine ecotourism operation*. Nature Editions, North Berwick, Scotland [ISBN 978-1-908732-00-2 (eBook)]

²⁷ O'Connor, S.; Campbell, R.; Cortez, H.; Knowles, T. (2009) *Whale Watching Worldwide: tourism numbers, expenditures and expanding economic benefits, a special report from the International Fund for Animal Welfare*, Yarmouth MA, USA, prepared by Economists at Large: www.ifaw.org/whalewatchingworldwide

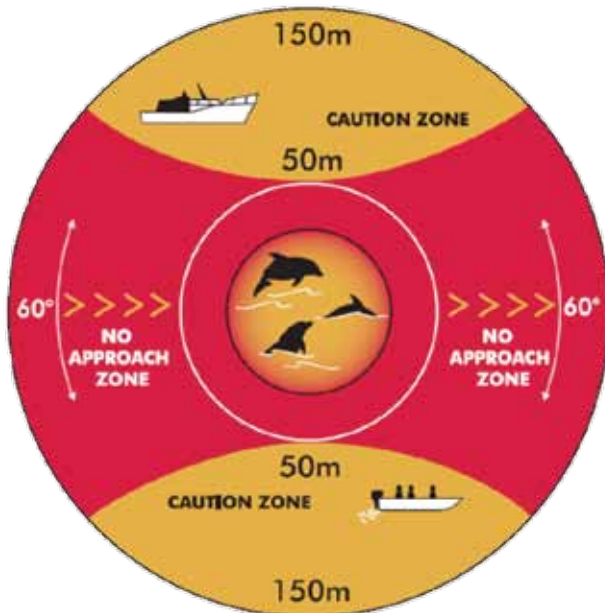
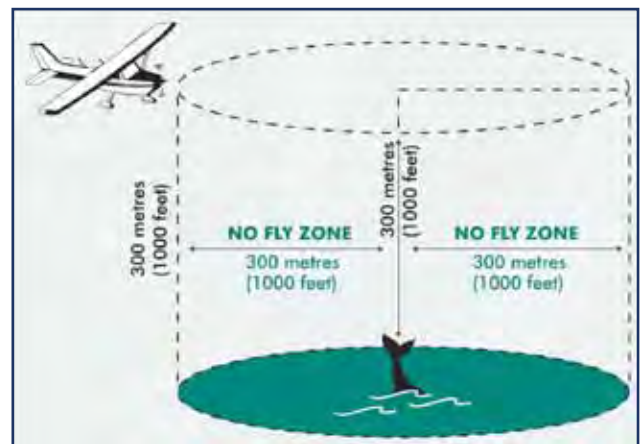
²⁸ Department of Conservation (1992) Marine Mammals Protection Regulations: www.legislation.govt.nz/regulation/public/1992/0322/latest/DLM168840.html.

²⁹ Australian National Guidelines for Cetacean Observation: www.environment.gov.au/resource/australian-national-guidelines-whale-and-dolphin-watching-2005 (Accessed May 2014).

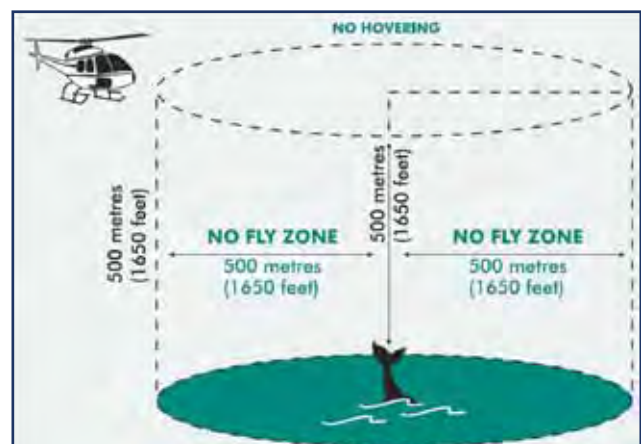
Figure 8.5: Guidelines for boat interactions with whales (upper left) and dolphins (lower left) and aircraft interactions with whales with fixed-wing aircraft (upper right) and helicopters (lower right) (adapted from Australian National Guidelines for Cetacean Observation, 2014).



NO
WAITING
IN FRONT



NO
WAITING
IN FRONT



Box 8.8 Code of Management to reduce vessel impact on Bottlenose Dolphins in New Zealand ³⁰

Research indicating a serious decline in the bottlenose dolphin population in Doubtful Sound, Fiordland, New Zealand led the Department of Conservation to run a public consultation process in 2007. After significant stakeholder and community involvement, a Code of Management was published (See Appendix 8.2). This forms one part of the strategy to increase the protection of the Doubtful Sound / Patea bottlenose dolphin population. The other parts are monitoring, research, education and increasing public awareness. The code aims to increase protection by reducing the number and duration of dolphin-vessel interactions. New dolphin protection zones to exclude interactions completely were also established in parts of Doubtful Sound. If these measures do not work, then stronger action may be necessary. Appendix 8.2 is an extract of these conditions and is presented to illustrate the types of measures needed to minimize the impact of vessels on marine mammal populations.

SUMMARY

This chapter has discussed the importance of getting a protected area agency's own administrative house in order to be able to manage its concession business successfully. Whether it is file management, contract storage, database use, revenue collection, reporting, information and communication through the agency's own website; care and professionalism are needed to provide managers, concessionaires and the public with the confidence that this aspect of protected area work is being well managed. As the agency's concession programme grows, the administration systems will also need to evolve to stay abreast of these changes.

This chapter has also discussed some of the implications of, and roles and responsibilities in relation to safety. When visitors pay to undertake a concession activity, it is inherent that they expect to obtain a fun and safe experience. While safety is primarily the responsibility of the concession operator, a protected area agency still has a moral duty of care, which means they need to clarify their role and the support they offer to concessionaires.

A wide variety of commercial activities can take place in protected areas. Whether it is installing telecommunications facilities, stock grazing, filming or activities associated with marine mammals, once a concession system is established, it can be used to manage all commercial activities.

Regardless of whether you work in a well-established protected area system that manages lots of concessions or your organization is just starting out in the concession business, this chapter can be used to identify best practices and gaps in processes. In addition, you should commit a portion of your time spent on concession activities to continuous improvement of the way the programme is managed and administered.

³⁰ Doubtful Sound marine mammal (and other wildlife) code of management, Department of Conservation, New Zealand: www.doc.govt.nz/publications/conservation/native-animals/marine-mammals/doubtful-sound-marine-mammal-and-other-wildlife-code-of-management/ (accessed May 2014).

ACTIONS

- Review concession administration functions to ensure contracts, files, databases and finance roles are administered efficiently, are up to date and suitable for the size and scale of concession programmes.
- Use the key objectives of concession programmes (see Chapter One) to select and start to report on the measures that will help them to achieve these objectives.
- Work with concessionaires to review concession communication material such as the agency's website, brochures, guidelines, application forms and newsletters to ensure they are up to date, on-line, easily accessible and used. Check to see if there are improvements that can be made to support and promote concession operators.
- Develop guidelines on what concession information can, and what should not be released to the public.
- Develop codes of conduct with industry sectors that have the potential for significant impact on sensitive values and where there may not be enough regulation to manage the effects of the activity. Incorporate these codes into concession agreements so that they are enforceable.
- Review policy, systems and contracts to ensure that the responsibility and liability for safety in concession operations is clear and these are promoted from the beginning of concessions.
- Manage all commercial activities, including stock grazing, filming, marine mammal viewing, telecommunication and other activities using the staff, principles and processes used for tourism concessions.

TOOLS

New Zealand Department of Conservation Guidelines on Concessionaires' Safety Plan³¹. These provide an example of guidelines that explain why safety plans are necessary, and information on how concessionaires can prepare a safety plan and have it checked by a qualified and independent auditor.

Code of Best Practice on Mobile Network Development in England³². An example of a code of best practice for managing the impact of mobile network development in England.

Whale Watching Blueprint: Setting up a marine ecotourism operation. This is a practical, step-by-step handbook on how to set up a successful marine wildlife operation that is both sustainable and responsible³³.

See Appendix 8.1 for filming and photography code of ethics for the Western Arctic Field Unit, Parks Canada

See Appendix 8.2 for a Code of Management to reduce the impact of vessels on Bottlenose Dolphins, Department of Conservation, New Zealand.

³¹ DOC Guidelines on concessionaires' safety plans: www.doc.govt.nz/about-doc/concessions-and-permits/concessions/applying-for-a-concession/concessionaire-safety-plans/ (accessed April 2014).

³² Mobile Operators Association (2013) Code of best practice on mobile network development in England. Mobile Operators Association, UK. P. 24. <http://www.mobilemastinfo.com/best-practice/mobile-operators-code-of-best-practice-article.html>


³³ Hoyt, E. (2012) Whale Watching Blueprint – I. Setting up a marine ecotourism operation. Nature Editions, North Berwick, Scotland [ISBN 978-1-908732-00-2 (eBook)]



(Above) Real Journeys run cruise ship tours through the iconic Fiordland National Park landscape in New Zealand. However they go the extra mile by directly supporting conservation programmes in the area.

(Below) Bottlenose Dolphin bow ride off a cruise boat in Doubtful Sound. A range of special measures and research has been put in place to reduce the impact of commercial tourism activities on these dolphin. Photo Helen Kettles





These facilities use little land area but because they generally need to be in a prominent location and are tall their impact can be significant. The Code of Best Practice on Mobile Network Development in England is a useful tool that others could adopt and modify for their circumstances.

Introduction

“This is a critical element for making the concession system work well. It is often the least considered.”¹

This chapter focuses on the often overlooked area of concession staff. Staff are the most important link in any successful concession arrangement or system. A protected area agency can have the best concession policy in the world, but if it does not have the organisational capability or capacity to implement it then the policy will be of no benefit to it. Even if a protected area agency does not have the best concession system, really good staff can often make up for any shortfalls.

What are some of the competencies that define good staff? What should a protected area agency recruit for and how should it train and develop existing staff? In this chapter the roles and competencies of concession staff are outlined and some tools are provided for staff and managers to assess their skills, identify areas for development and formulate a plan to improve their capability. The information is derived from a competency model developed for the concession unit in Namibia. To complement this view, another competency model for concession staff from the United States National Parks Service (NPS) is also featured in a case study. Advice on recruitment, induction, training and staff retention is also offered.

To build capacity, concession units or teams have the justification and sometimes the ability to tap into some of the cost recovery or revenue streams they generate, which can then be used to employ staff. Contracting-in skills from the private sector is also another good way to build capacity for certain tasks.

The last part of this chapter talks about conflicts of interest and how these must be managed to ensure that the public and business sectors can maintain their confidence in this system.

Key messages

1. High-quality concession staff are the most vital component of any concession system.
2. Staff need to work toward a shared, common vision.
3. Staff need a wide range of skills, but competencies in relationship management, communication and analytical skills with some working knowledge of tourism are essential. Many technical skills e.g. finance, ecological and planning can generally be brought in when needed.
4. Most staff will need both formal and less-formal on-the-job training. Any investment in training will be very worthwhile in the longterm.
5. Effective concession staff are hard to get, so retaining them is important.
6. Concession staff need to be aware of potential conflicts of interest and any that occur must be managed quickly and effectively.

Discussion

“Providing quality commercial services to park visitors requires a commitment from the National Park Service and the private sector operator as well as a professional workforce that understands the perspective of both the visitor (the customer) and the business.”²

Clarifying the mission

It is very clear from the literature on organisational leadership that concession staff need to understand their agency’s goals and how their work contributes to them. This helps to provide meaning to their work and clarity to their roles.

“If any one idea about leadership has inspired organisations for thousands of years, it’s the capacity to hold a shared picture of the future we seek to create. One is hard pressed to think of any organisation that has sustained

¹ Marie Long (2014) Director, Planning and Permissions, Department of Conservation, New Zealand. Pers. comm.

² Jo Pendry (2014) Acting Chief, Commercial Services, Business Services Directorate, US NPS. Pers. comm.

some measure of greatness in the absence of goals, values, and missions that become deeply shared throughout the organisation... organisations managed to bind people together around a common identity and sense of destiny.”³

Processing concessions can be a bit tedious at times, but concession work contributes to many social, cultural, recreation, tourism, conservation and economic outcomes. An effective concession unit will draw from its administrative policy and law to create a shared vision about the importance of the work they do.

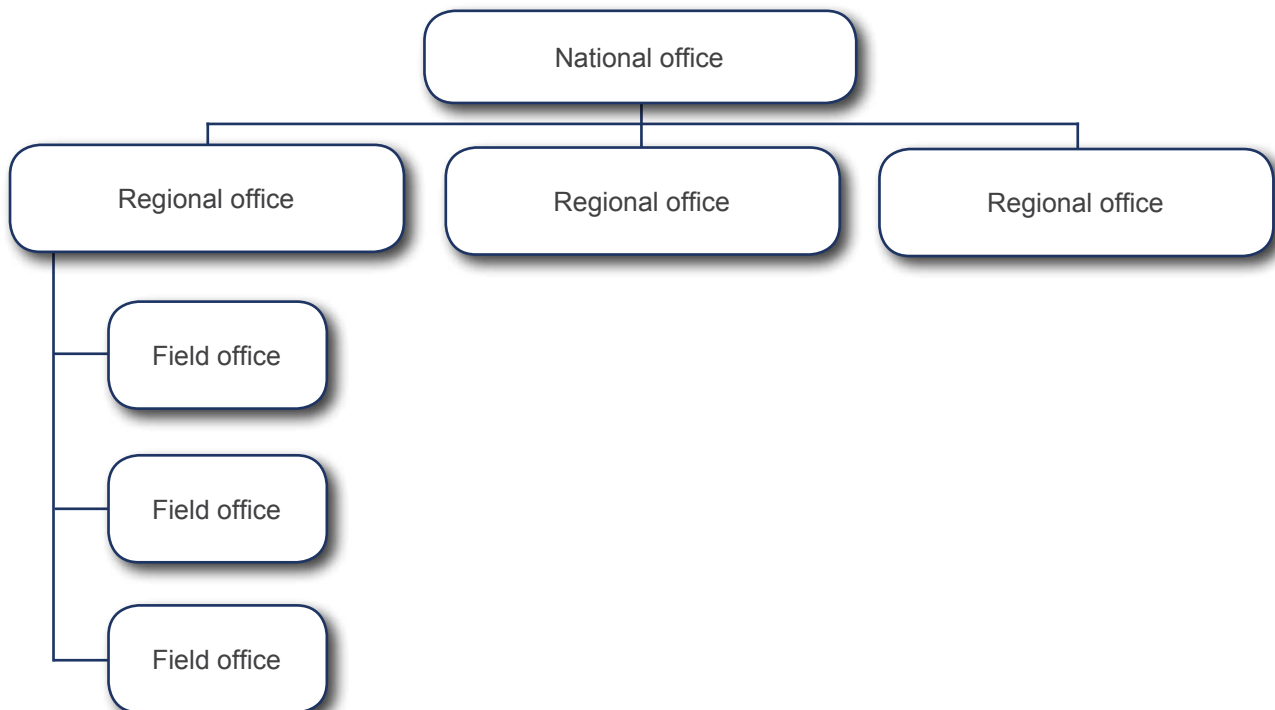
Organizational structure and concessions

Where should concession work be based in a protected area agency? If we assume that most

agencies operate some form of ‘line’-based structure (as shown in Figure 9.1), then senior managers need to decide where to locate their concession unit within this structure.

It is interesting to note that while most protected area agencies have concession staff in the field to monitor activities, process smaller permits and provide environmental advice on larger applications, their larger concession activities tend to be managed in centralized concession units. Six agencies⁴ – Parks Canada, NPS, New South Wales Parks and Wildlife Service and Great Barrier Reef Marine Park Authority in Australia and the Ministry of Environment and Tourism in Namibia – all operate a mostly centralized model. The rationale for centralized management is often the desire to pool specialized skills and expertise, to locate the concession unit next to decision-makers, policy advisors, lawyers and finance staff and to closely manage the organizational and relationship risks

Figure 9.1: Typical protected area agency structure.



³ Senge, P.M. (1990) *The fifth discipline: the art and practice of the learning organisation*. Random House, Australia. P. 9.

⁴ Thompson, A (2009) *Scan of concessions systems and best practice*. Unpublished report, Department of Conservation, Wellington, New Zealand.

that can be associated with a concession function. The monitoring of concessions, day-to-day relationships management and the processing of small applications can be done at a field level. However, there are advantages and disadvantages to both decentralized and centralized concession

systems. These are outlined in Table 9.1. If the structure of a protected area agency does not require regional offices, then having the concession unit at a national office level is clearly sensible. Concession staff and decision makers should be co-located and concession staff will need access

Table 9.1: Typical protected area agency structure.

Decentralized structure	Centralized structure
<p>Advantages</p> <ul style="list-style-type: none"> • Allows for good contact between concessionaires and concession staff, with plenty of potential for developing strong relationships • Concession staff can more readily get out in the field and may better understand the operations and businesses they manage 	<p>Advantages</p> <ul style="list-style-type: none"> • Centralized groups have the ability to recruit people with higher skills and pay salaries that recognize the skills needed • Centralizing activities allows better control of consistency and quality and management of risk • Expertise on specific subject matters can be developed and applied nationally and consistently. Larger groups working together facilitate synergies around knowledge and shared skills • Workloads can be managed more effectively in larger groups (economy of scale) • Centralized groups are more able to form key relationships, e.g. with the tourism ministry and industry organizations • Centralized groups generally have better access to decision makers and legal and other technical support
<p>Disadvantages</p> <ul style="list-style-type: none"> • Can really only work if concession decision making is also delegated in a decentralized manner • Can lead to organisational inconsistency as different processes and skill sets are applied locally • It is harder for decentralized staff to have access to decision makers and legal and other technical support 	<p>Disadvantages</p> <ul style="list-style-type: none"> • Centralized concession processing and staff can become isolated from concessionaires and operators, leading to poor relationships and poor job satisfaction for concession staff which can, in turn, lead to high staff turnover

to legal advice and other technical support. This approach helps to manage the risks (relationships, financial, economic, political, environmental, cultural and recreational) associated with concession work. At the same time, concession staff need to be encouraged to get out in the field so they can understand the businesses they are working with and the impacts associated with them, work with operators, meet with communities and work with field staff.

Another consideration when deciding where and how to set up a concession unit is where most of the work will be. Concession work is rarely spread evenly across protected areas, unlike other protected area work. Most commonly, the bulk of the tourism and concessions work will be concentrated in a few areas, or one region, so the location, structure and level of resourcing that needs to be applied should reflect this. One useful relationship management technique is to bring in regional- or national-level staff to do any tough

work required with concessionaires and then leave, rather than expecting local staff (who have to live and work with concessionaires on a day-to-day basis) to do this.

It is possible to have a hybrid regional system that aims to capture the advantages of both a centralized and decentralized structure. However, caution is needed here because it may also end up with the disadvantages of both.

Concession staff can be based with other staff with similar functions. For example, there are advantages to co-locating concession staff with

planning and, especially, visitor services staff, since recreation and concession staff both aim to produce similar outcomes.

Another consideration is the variety of relationships (Figure 9.2) that concession staff need to maintain to carry out their roles. These relationships are both internal (within the protected area agency) and external. Some will occur on a daily basis and others less often. All are important, but some are more important than others. A concession unit's relationships with the Minister, decision makers and concessionaires are of primary importance. How these relationships will work needs to be

Figure 9.2: Typical concession unit's functional relationships with internal staff and external entities





Successful concession management requires good staff to maintain multiple relationships. Key relationships for this area in Namibia included two local communities, tourism operators, local government, consultants, local and national level staff in the Ministry of Environment and Tourism.

considered when decisions are made about structuring a concession unit and where to place it in a protected area agency's hierarchy.

There is not really any right or wrong answer to where a concession unit should be based, but if a protected area agency is just starting out, they could follow the Namibian example of keeping it as 'standalone' unit under the agency's director so that consistency, expertise, issues and risks can be managed effectively through its establishment phase (after its initial set up phase, the Namibian concession unit was then placed in the Directorate of Scientific Services). A concession unit should be set up in ways that ensure it will succeed from the moment it starts operation.

Typical roles for concession staff

Role clarity is vital if a concession team is to perform well and achieve its mission, as well as for individual job satisfaction. Protected area agencies' concession functions may vary significantly depending on their size and whether they have centralized or decentralized concession functions. However, concession teams generally have four distinct components, which are described below.

Decision makers

These are the people that have the authority to make decisions, approving or declining the award of concession. They generally comprise senior

Box 9.1: Balancing process and decision making

To ensure processes do not become unwieldy and unworkable, concession managers in New Zealand maintain some procedural decision-making roles. These predominantly relate to process matters—e.g. when further information is required, whether an opportunity should be tendered, whether an application should be publicly notified and many matters around fees (particularly cost recovery). So, although important decisions should not be made at the same level as concession staff, concession managers should retain a decision-making role for procedural issues to ensure processes run smoothly and efficiently.

managers and the director of the protected area agency, or even the Minister, and as such are not really 'staff' of the concession team. It is important that concession staff make clear recommendations to decision makers, but it is not advisable for concession staff to have decision-making authority (with the possible exception of the manager for small, low-risk applications). Keeping these roles separate helps to ensure that decisions are robust and defensible and there are the proper checks and balances in the concession system. Box 9.1 provides further details on the decision-making process and responsibilities.

Concession manager

The concession manager has the primary role of working 'on' the business rather than 'in' the business. The manager is responsible for making sure that the concession unit has a vision and is led and functioning properly, particularly with respect to the following aspects:

- It has the staff and financial resources to do its work
- Revenue targets are met and/or exceeded
- Conflicts are resolved
- Relationships are managed (with stakeholders; concessionaires etc.)
- Tasks and cases are allocated and work is completed to an appropriate standard
- A performance management system for staff is implemented
- Consultants are supervised and tourism planning in the protected area is facilitated

- There is liaison with industry bodies and interest groups
- Staff, other managers and the protected area agency director and decision makers are supported in whatever they need and receive appropriate training
- Some of the more complicated cases, such as large developments or tender processes, are managed personally
- The unit's systems and performance are benchmarked to ensure continuous learning and improvement

Concession staff

Concession staff work 'in' the business. They are responsible for primary relationships with concessionaires and/or operators and for assisting field staff. Specifically, this includes:

- Managing cases (either tenders or applications)
- Completing reports
- Drafting contracts
- Critically reviewing applications
- Reviewing environmental impact assessments (EIAs)
- Completing business and empowerment plans
- Drafting tender documents
- Participating in tourism planning activities for protected area development or management plans
- Negotiating fees with concessionaires
- Carrying out rent reviews



On the job training for the new concession unit in Namibia took place in short sessions once a week, covering a broad range of topics from reading business plans, file administration through to monitoring, EIA and learning about potential conflicts of interest.

- Assisting communities to structure arrangements with joint venture partners
- Monitoring concession operations along with field staff

Depending on the size of the concession function there may be senior concession staff who work on more complex cases and who can also mentor and coach newer staff. There may also be staff whose role, or part of whose role is dedicated to improving the information, tools, systems and processes used by concessionaires and/or staff.

Administration staff

Administration staff have primary responsibility for the concession file system and database (if there is one) and collecting fees. They may also be involved in permitting smaller-scale activities, such as small filming jobs, and undertaking minor rent reviews.

All staff in all positions should be recruited with the ability to aspire to the position above them. Good performance from team members reflects well on the entire team.

Field staff

Field staff may work as part of a concession team or in association with it as and when the need arises. These staff are operationally focused and are primarily responsible for providing advice on the effects of activities, impact and compliance monitoring and maintaining day-to-day relationships with concessionaires.

Staff competencies

To carry out the above roles, concession staff need the right skills or competencies. The following list of staff competences is derived from information provided by concession staff in the New Zealand Department of Conservation (DOC), Parks Canada and the New South Wales Department of Environment and Climate Change⁵. When managers are recruiting staff, assessing staff skills or planning to build capacity and capability in a concession team, this list can be used. Note, however, that it provides a very broad and ambitious set of competencies and should probably be used as a 'pick list' to help managers identify what skills and knowledge they need most in their concession team. This could be aided by knowing:

⁵ Thompson, A (2009) Concessions unit, induction and training manual. Strengthening the Protected Area Network and Ministry For the Environment and Tourism, United Nations Development Program, Namibia.

- The size of the team and therefore its ability to support specialists
- What access the team has to other in-house and external professionals (such as tourism planners and financial analysts)
- The type and amount of concession work to be undertaken

All of the competencies listed below are needed in a concession unit, but the level of competency required by any individual staff member will vary depending on their role (see Table 9.2).

1. Relationships: the person is customer focused, builds positive and lasting relationships, contributes to the rest of the team, shares information, exercises leadership (persuades, justifies, negotiates and listens) and works effectively with stakeholders
2. Effective negotiation and communication: the person has excellent report writing and oral presentation skills, effective listening skills and an ability to negotiate contracts and close deals.
3. Leadership: The person is able to build and lead a team, has supervisory skills, the ability to encourage and reward performance and address poor performance, develop staff, provide advice, co-ordinate and allocate work.
4. Analytical: He or she is able to understand and evaluate information and risk, critically analyze proposals, apply good judgment when making decisions and provide peer support to colleagues.
5. Planning and organizing: The person is able to prioritize tasks, work independently and achieve results. He or she is flexible and self managing with the ability to take the initiative. He or she has project management and administration skills, a thorough attention to detail and can supervise consultants and contracts.
6. Computer: The person has word processing/ spreadsheet/database management skills; can acquire and evaluate, organize and maintain, interpret and communicate information (strong written and oral presentation skills) and can competently use computers and other technology.
7. Financial management: The person can read, analyze and evaluate business plans and manage and collect fees. Note, however, it is likely that agencies will need to second or hire-in specialist financial skills to properly evaluate tenders and calculate net present value, the internal rate of return and sensitivity analyses. Also, some understanding of the financial aspects of tourism would be an advantage (to assess whether projections of rack rate and occupancy are realistic, for example).
8. Environmental impact assessment and monitoring: The person can predict and help scope the impacts of various operations and carry out monitoring activities on the ground. He or she has some basic level of understanding of ecology and can provide advice to concessionaires and communities about acceptable impacts and alternative actions that have less impact.
9. Legal, regulation and contract drafting: The person has an understanding of legislation and sufficient training to understand contracts and draft basic conditions, although it should be noted that concession staff will always require access to solicitors from time to time.
10. Tourism planning in protected areas: He or she will need some understanding of tourism flows, markets and protected area tourism and how to manage impacts and plan for a range of viable tourism opportunities, along with the ability to supervise and participate in tourism planning.
11. Socioeconomic impact assessment: The person should understand the social and economic benefits of concessions and can assess these benefits if this is a priority for the concession system. Specialist advice can be hired-in when needed.
12. Working with communities: Staff should be able to demonstrate how tourism can contribute to community empowerment and should understand community dynamics and what motivates different community interests in concessions.

Additional skills needed in a developing country context

Setting up a concession function in a developing country context can require additional skills, including:

12. Working with communities: Staff should be able to demonstrate how tourism can contribute to community empowerment and should understand community dynamics and what motivates different community interests in concessions.

13. Joint venture arrangements: Staff should have an understanding of various business arrangements between communities and concessionaires, including the advantages and disadvantages of each model, and be able to advise on each of them.
14. Working in a development context: Staff should have experience or knowledge in this area, including working with non-governmental organizations (NGOs) to channel effort, expertise and resources towards achieving desired outcomes.

While it will be difficult to find all of these competencies in any one person, it is important that individuals employed have most of these attributes. However, it is critical that, collectively, the people in a particular concession team provide all of these skills or that they have ready access to them. If this is not possible, then the team needs the ability to contract them in when needed.

Table 9.2 outlines the competencies and level of competency that each member of a concession team should have in order to complete their roles effectively.

Table 9.2: Competency levels for concession staff.

Competency	Manager	Concession staff	Administration staff
Advanced relationship management	advanced	high	medium
Effective communication	advanced	high	medium – high
Negotiation	advanced	high	medium
Leadership	high	medium	low
Planning and organising	high	high	medium
Legal and contract	high	medium	low
Computer	high	high	high
Analytical skills	advanced	high	medium
Financial management	high	medium	medium
EIA and monitoring	advanced	high	low
Working with communities	advanced	high	medium
Joint venture arrangements	advanced	high	medium
Working in a development context	advanced	high	medium
Tourism planning in protected areas	high	high	low

Recruitment

The concession business is primarily a people-based activity. So, while technical skills, such as, the ability to carry out ecological assessments or interpret law are important, so are high-level communication, relationship, negotiation and presentation skills. In a 2002 review of its concession system that involved a series of qualitative interviews with internal and external stakeholders, the Department of Conservation in New Zealand found that:

“It is clear that the most important and critical staff skills and attributes are relationship and communication skills and knowledge of the relevant industry sector rather than the technical skills that we currently have and recruit for. Recruiting for and up-skilling existing staff for these particular skills and attributes must be a priority and will help to improve our performance. Note that technical skills still feature highly but not as highly as they are at present.”⁶

A subsequent review of the concession system in 2010 examined this issue again and confirmed the need for balance between relationship skills, business understanding and processing/analytical skills⁷.

When recruiting staff it is also important to think about the team as a whole and recruit for where there may be gaps in skills. For example, if the team already has a lot of technically able staff, then recruitment may need to focus on relationship competencies. Likewise, a concession manager whose strength is good relationship and leadership skills will need to ensure he or she has some staff with good technical skills. It can be costly to up-skill or dismiss a poorly-performing staff member, so getting the right person is essential. The competencies outlined above can be used to assist the recruitment of people with exactly the skills that are required.

Induction of new concession staff

Most agencies have general induction processes for new staff, but each work area within an agency

also requires its own specialized process. New concession staff will need to become very familiar with the following aspects:

In the first two days

- The concession unit’s vision
- The law, regulations and policy that affect concessions
- The unit’s file and database systems
- How contracts are stored
- Concession allocation processes
- Web- and paper-based information provided by the organisation about concessions
- The agency’s EIA and safety processes
- The agency’s codes of conduct and conflicts of interest policy

In the first two weeks

- The agency’s and concession unit’s financial processes
- Any management plans relevant to concessions
- Standard template documents
- Information relating to specific activities e.g. filming guidelines
- Specific files/cases they will be working on

In the first two months

- Any relevant research reports
- The values associated with protected areas
- Publications on balancing use and conservation e.g. IUCN guidelines on tourism in protected areas
- Any relevant review or improvement reports
- Any relevant economic impact studies

Ensuring there are hand-over periods between people leaving and new people arriving is also a great way of ensuring new staff members get up to speed quickly on the cases they will be managing. This can be especially important if it involves a long-term concessionaire with a lot of history, some of which has been controversial and political. Box 9.2 provides an example of general induction information in relation to concessions.

⁶ DOC (2002) Concession Investigation Report. Confidential report to the Director General, Department of Conservation, Wellington, New Zealand. P. 14.

⁷ DOC (2010) Concessions processing review report. Department of Conservation, Wellington, New Zealand. <http://www.doc.govt.nz/about-doc/concessions-and-permits/concessions/information-for-concessionaires/concessions-processing-review-report/>

Box 9.2: Example of induction information

The Department of Conservation in New Zealand has developed an on-line induction tool for staff and concessionaires, students and the general public. This is a great approach and can be viewed by accessing the following link. <http://www.doc.govt.nz/global/training-courses/concessions/index.html>. DOC's former Director General Al Morrison explains the importance of concessions in this online introduction course.

Department of Conservation
Te Papa Atawhai

Introduction to concessions

DOC's new approach

The Department's national Statement of Intent says:

'Business opportunities consistent with conservation are enabled'.

This is how Al Morrison, the Director-General of DOC, explains it:

"Conserving natural and historic heritage and providing opportunities for recreation remain fundamental, and this work provides vital infrastructure and jobs for communities.

This work does not have to be done by the Department alone, and we know the scale of the conservation task is such that this would not be possible. By looking for opportunities to work with business and others, the Department can both achieve conservation gains and contribute to New Zealand's wellbeing and prosperity."

Al Morrison, Director-General—Tumuaki Atawhai

Contents Help Resources

Training of concession staff

There are many ways to develop staff skills. These range from formal training courses, work experience placements with concessionaires, paid study time and in-house and on-the-job training and coaching. Some training will need to be delivered to the whole concession unit while other training needs to be more individually specific. Ideally, individual training needs will be identified and incorporated into the staff member's annual performance and development plan. It is

a job requirement that staff demonstrate the core competencies required for the position. However, not all staff will want to develop beyond this and they cannot be forced to do so. The best way to encourage personal development is for managers to demonstrate through their actions that they are also committed to their own development⁸.

Some agencies follow-up consenting processes with their customers to determine whether the level of service and satisfaction with that service was adequate. This is commonly done by using brief on-

⁸ Senge, P.M. (1990) *The fifth discipline: the art and practice of the learning organisation*. Random House, Australia. P. 9.

line survey satisfaction assessment tools, such as SurveyMonkey®. While the results of these surveys provide valuable customer service feedback, they can also be used to identify particular training needs for individual staff.

Another method of assessing the training and development needs of staff is to use the competency mode, previously described (and summarized in Table 9.2) combined with the self assessment tool provided in Appendix 9.1. The aim with these tools is to identify the immediate, mid-term and longer-term development interventions required to improve the capability and capacity of each staff member. An example development plan is also provided in Appendix 9.1.

Retention of staff

Recruiting and training staff is a big investment for any organization, so these people need to be kept for a while. Unfortunately, the concession area of work is sometimes viewed as a place where people can enter the conservation field and once they are competent they then move onto other parts of the organization. This often happens to the staff that you most want to keep in the concession area. This problem can be even worse in developing countries where higher levels of capability can be less common, so once an employee is trained and competent they are quickly offered other positions with higher salaries.

Human resources staff in protected area agencies can provide strategies for managers to use to retain staff. When staff are performing well, this should be recognized and they should be remunerated accordingly⁹. However, recognition and rewards do not have to be just about more money—praise of an individual's or teams' achievements in front of their peers is also very effective; study subsidies, study tours to other countries to advance their skills, attendance at conferences to learn more about the industry and even time in the field are all methods that can be used to recognize and reward staff for their achievements.

If staff believe in the value of their work, are clear about their roles, believe they have a future, can continue to learn and develop and be recognized

and rewarded for excellent performance, then they are more likely to be effective and to stay longer.

Increasing capability and capacity by contracting-in services

There are a number of functions needed by concession teams that can usually be successfully contracted in. These services may be provided by other government agencies or by the private sector. Examples include:

- Production of brochures and web material
- Tourism development plans for a park or site (see Chapter Three: Planning for a draft terms of reference)
- Drafting standard template contracts
- Provision of databases
- Analysis and processing/tendering of some simple concessions
- EIA reports for specific proposals
- Financial assessments of proposals or audits of concessionaires' accounts
- Safety audits

Finding funding for the above professional work can sometimes be a challenge, but in the concession area there are usually a number of ways to obtain funding or assistance, including:

1. Cost recovery fees attached to application or tender processes—i.e. if people apply they are charged a certain amount and this is invested in items such as financial audits or the additional staff needed to manage these processes.
2. Revenue incentives—being able to invest a portion of the increased revenue earned from concession activities in further tourism planning to identify future investment opportunities. This has the benefit of helping to grow the overall size and income derived from the concession business, so this should be seen as a prudent investment.
3. Donor agencies or NGOs that want to foster conservation and community development may fund the development of tools, systems and policy that further these aims through concession activities.
4. Management fees or fees from

⁹DOC (unknown) Managers handbook. Department of Conservation, Wellington, New Zealand.

concessionaires—for example, in New Zealand the concessionaire pays for the safety audit directly; DOC only requires the report from the audit.

5. Funding from tourism ministries or agencies that are aiming to develop a country's tourism potential and remove barriers to investment.

There is a good case in the concession area that the more concessions awarded or processed, the more resources (cost recovery, ongoing rentals and government tax) will be earned. So it should

be in everyone's interest to enable this function by allowing concession units to reinvest some of the resources they can earn.

These same arguments and funding sources can also be used to recruit additional staff into a concession unit as the work grows or has the potential to grow. If such additional staff are employed on fixed-term contracts, then if the work load diminishes, the workforce can be resized accordingly. An example of how jobs can be done using external contractors and other sources of funding is provided in Box 9.3.

Box 9.3: Example of using an external contractor

A range of standard template contracts needed to be developed for the Namibian concession unit. These had to reflect local law and the new concession policy. Examples of concession contracts from other countries were provided to a local private sector lawyer who understood the conservation, commercial and development context. These were drafted by the lawyer and then approved by the Ministry Of Justice. The new concession unit could then use these contracts with confidence, but still had the flexibility to develop schedules of special conditions to help manage specific issues arising from each individual proposal. The funding for this work came from the Strengthening the Protected Area Network Project working with the Ministry of Environment and Tourism.

Case study: A competency model for concession management specialists

The US National Parks Service (NPS) recently undertook an assessment of its concession management workforce in order to ensure it was recruiting and retaining individuals with the skills needed to manage the multi-million dollar hospitality recreation programmes, known in the NPS as 'visitor services.' The result was a Concessions Management Competency Model that describes the full range of competencies required to be successful as a concession professional in the NPS. The model defines the key knowledge, skills, abilities and behaviors needed for effective performance across grade levels in concession management.

The NPS, with the passage of a revised concession law in 1998, undertook a multi-year effort to improve the policies, procedures and administration of its concession contracts. This effort was needed to protect park resources and to ensure that the NPS was adequately overseeing its concession-managed activities and to ensure that it was receiving fair return for the opportunities offered by the contracts. The NPS found that the professionalism, experience and training of existing employees (approximately 250 people) needed to be improved. Thus, the four-phase Human Capital Strategy was developed to analyze the current and required future state of the concession



USNPS concession management conference trained 150 staff in all aspects of concession management, from prospectus development, operational oversight, finance and asset management. Photo: USNPS.

management workforce and to develop and implement human capital programmes and solutions to ensure the workforce is fully prepared to meet the requirements of the NPS. The phases of the strategy were:

1. **Workforce Analysis**—This phase defined the programme’s workforce and described the key demographics and trends that would be used to design the future workforce.
2. **Competency Definition**—This phase identified and defined the core competencies, critical behavioral indicators and knowledge, skills and abilities that are required for successful performance in the concession programme.
3. **Organizational Management Planning**—This phase developed a workbook for managers which includes appropriate staffing models and key measures, specific induction material and standard position descriptions.
4. **Training and Development**—This phase developed a training curriculum based on the gaps between the competency assessment and the current training curriculum.

Competency sets

The Concession Management Competency Model is a collection of defined competencies and associated behavioral indicators.

Throughout the model, each competency listed contains an overall definition and descriptions of the knowledge, skill and, abilities required to achieve it and the behavioral indicators that show that it has

been achieved. The behavioral indicators reflect the most representative and typical behaviors that demonstrate a particular competency; they are not intended to be an exhaustive list of all relevant behaviors for the competency.

The model has been used to develop standardized position descriptions and resource material to help employees become familiar with the Commercial Services Program and their role within it. In addition, the Competency Model provides a basis for identifying training needs throughout the organization and developing relevant materials to address those needs.

The competency model is provided in full in the following text. To develop a competency model, the NPS first identified the critical competencies (behaviors, knowledge, skills and abilities) required to successfully perform in the Concessions Program. These were then grouped into four areas, which are shown in Table 9.3.

Table 9.3: Competency model for concession staff in the USNPS

Competency area	General description	Specific competencies
Core	General competencies needed in all NPS employees	Organizational awareness; oral and written communication; problem solving; technology application; accountability; individual development and planning; flexibility; attention to detail; interpersonal skills; integrity/honesty
Fundamental	Key concession management competencies critical for successful performance across all concession management employees regardless of position or location.	Legal framework; commercial services development; monitoring and evaluation; data collection and analysis; customer service and collaboration; business acumen; negotiation
Emerging	Key concession management competencies that are crucial to the success of the programme, but not currently required of every individual in the programme.	Asset (facility) management
Supervisory, managerial and leadership	Competencies required of supervisors, leaders, and managers across the NPS.	Creativity and innovation; vision; human capital development; political savvy; team building; leveraging diversity; developing others; employee supervision

The competencies serve as the foundation for shaping all NPS human capital policies and practices in concession management. All NPS employees are expected to be proficient in the core competencies, and concession specialists are also expected to be knowledgeable in both the core competencies and the fundamental competencies. For concession specialists already in positions who lack the knowledge in one or more of the fundamental competency areas, training will be provided.

By defining these competencies, the NPS was able to improve its training programmes, create standard position descriptions and develop a staffing model, helping the organization to ensure that it really does have the right people in the right jobs and to understand workloads, so superintendents

can make the right decisions about the numbers of people employed in concessions at their park. As a result of implementing the strategy, coupled with other programme improvements in policies and procedures, the NPS is seeing a marked improvement in the management of its concessions, as highlighted in the following examples:

- Modifications and improvements to the training programme have resulted in the most immediate and visible improvements. The NPS focuses training on the fundamental competencies and has programmes in place for every aspect of concession management, including for superintendents of parks with concessions. It is amazing how effective it has been to train park superintendents (of large and small parks) on, for example, the impact of new construction undertaken by the concessionaire and how that affects future financial obligations for the government. Training superintendents has also had the positive effect of providing them with the understanding of the complexities of concession management which, in turn, helps them make better decisions regarding staffing and recruitment. For concession employees, training has been effective in showing the importance of (for example) planning, financial management, operational evaluations and prospectus development.
- Concessionaires have commented that consistency across parks has been greatly improved as a result of efforts associated with the Human Capital Strategy. Consistency is important to their operations and the NPS as it sends a clear message to concessionaires that to the NPS treats everyone equally and fairly.
- Recruiting and retaining highly qualified concession specialists is easier for managers as they no longer have to craft a job description and struggle with describing the duties and responsibilities. Standardized job descriptions, based on the core and fundamental competencies, make this easier for managers and helps ensure that people recruited have the right skills.



NPS staff organized a national conference for 150 concession staff to provide training in all aspects of concession management including prospectus development, operational oversight, finance, asset management and legal matters. Left—NPS officials prepare the training programme.

Right—NPS staff arriving at the conference. Photos: NPS staff

Leeverty Muyoba an experienced ranger who excelled at concession work.
Photo: Ministry of Environment and Tourism, Namibia



Conflicts of interest and professionalism

All staff in a concession function must maintain the highest levels of professionalism and integrity at all times. Because they are dealing with commercial matters, competitive businesses, intellectual property issues, revenue and, sometimes, controversial matters, staff must be professional in all they do. Staff must give the business sector, stakeholders and managers confidence. The following guidelines are designed to protect and assist staff to do their job professionally and avoid conflicts of interest:

- ✓ Staff need to make it clear to concession applicants that while they are there to assist them, they are not the decisionmakers in these processes.
- ✓ Staff must, at all times, avoid making commitments about any decisions that may or may not be made by others. Concession staff are not the decision makers and should not predetermine decisions that may be made.
- ✓ Some details of applications, tenders and contracts must be kept confidential, especially some financial information or details relating to new and innovative proposals (i.e. where intellectual property is involved).
- ✓ Concession staff may not hold concessions or be a shareholder in any company that holds a concession. Concession staff must think carefully about other affiliations or memberships they have and whether these could result in a 'perceived' conflict of interest by other parties.

- ✓ Staff and decision makers should declare any actual or even perceived conflict of interest immediately and by writing to their manager. For example, if staff are closely related to or good friends with an applicant or have a financial involvement with the applicant, then they must declare this and remove themselves from any meetings or discussions while issues are considered and decisions are made.
- ✓ Staff must never accept gifts or gratuities of any kind (e.g. personal accommodation at a lodge) to avoid the appearance of a conflict of interest or reciprocal obligations. If staff do accept such offers, operators may try to exert influence over them. If any attempt is made to offer gifts, staff must note this on the appropriate file and report it immediately.
- ✓ Staff must avoid commenting on concession matters in social media. It is very easy to compromise a process if staff bias can be proved.

If staff are unsure about what they should do in such situations, they should be able to discuss them openly with their manager or other senior people in their organization (such as the park director) without fear or bias. Unprofessional behaviour or corrupt practices will not only bring a protected area agency into disrepute, but also discredit the individual staff member concerned.

Most public or governmental organizations have codes of conduct and breaches of these will generally result in individuals facing disciplinary procedures, dismissal or even prosecution.

SUMMARY

This chapter examines the often overlooked area of building concession staff capability and capacity. Without investment in good staff, concession functions will not deliver the outcomes they should. Building capability requires concession units to be located in the right part of protected area agencies—too high in the structure, and they may receive too much political interference, while being too low can result in staff not being able to access the skills and resources they require. Capability building is also facilitated by having good recruitment practices based on agreed competencies followed-up by induction and training. This chapter also presents an outline of the core skills needed by concession staff and provides practical tools that protected area agencies can use to help assess the competency level and training needs for a range of staff. A competency model for concession staff from the NPS is featured in a case study. Staff retention practices are also addressed, along with role clarity and the need to maintain good internal and external relationships.

Capacity and some technical functions can be supplemented by contracting-in services from trusted parties and advice is provided on potential funding sources and how such expenditure can be justified. Information on what is expected in terms of professional behaviour and how to avoid conflict of interest issues is also presented. The information in this chapter should enable protected area managers and staff to understand why good staff are the most vital component in any concessions system.

ACTIONS

1. Invest in good staff. If this means paying more than normal protected area agency 'grading' systems allow, then do this.
2. To build organisational capacity and capability in the concession area:
 - Enable the concession unit by placing it in the right place within the organizational structure, where it can access the skills and services it needs and maintain the internal and external relationships it requires to be successful
 - Encourage concession staff to develop their own shared vision that articulates the outcomes sought from the law, regulations and policy they operate within.
 - Recruit staff based on the roles and competencies outlined in this chapter.
 - Assess staff skills and develop a training and development plan using the tools provided in Appendix 9.1 of this chapter.
 - Use cost recovery or revenue incentive schemes to increase the capacity of a concessions unit as the demand for concessions activities increases.
 - Look at what advice, services and support can be contracted-in from other government agencies or the private sector.
3. Ensure that all concession staff clearly understand what professional conduct is expected from them and when they should seek advice if a conflict of interest arises.

TOOLS

Appendix 9.1: Training Self Assessment Tool for Concession Staff



(Above) Leeverthy Muyoba celebrates the arrival of a new vehicle that will allow the new concession unit to better plan, allocate and monitor concessions.

(Below) Concession staff, operators and academics from a number of countries meet in the USA to learn from each other on how best to manage concession activities. Looking at, learning from others, and benchmarking is a great way to improve your concession system.





Ski areas concessions look very different in summer and winter so the best time to assess their impacts, monitor operations or assess development proposals is in summer when all the details can be seen. Winter photos Coronet Peak, summer photo is Mt Hutt both are ski area concessions in New Zealand.



Introduction

While protected areas are typically set aside for the conservation of biota and biodiversity, their continued existence sometimes relies on their value as a tourism destination and on the ability of people to learn and care enough about them and therefore support their continued protection. One of the key outcomes of concessions is high-quality interpretative visitor experiences that encourage people to appreciate and support protected areas. So, the focus of this chapter is on how protected area staff and concessionaires can work together to deliver significant benefits for themselves, for their visitors and for conservation. While protected area staff and managers can be involved with the delivery of an interpretive experience (e.g. through visitor centres), within the context of this chapter they are seen as the enablers of the experience. They provide the support and resources to help concessionaires to deliver interpretive activities and also provide the quality control and evaluation to ensure activities are performed at high levels.

Interpretation is a means of communicating that seeks “to reveal a new insight into what makes a place special. It gives people new understanding”¹. Interpretation is often used to deliver experiences that assist tourists (visitors) to gain an increased understanding and appreciation of the values of a particular area and/or event.

Key messages

1. Concessionaires host many visitors and have the opportunity to significantly contribute to conservation and advocacy outcomes. Quality interpretation is good for business, good for the visitor and good for the protected area.
2. In providing safe, enjoyable and interpretive experiences for visitors to protected areas, concessionaires help people to understand, love and protect such areas.
3. Protected area agencies can assist concessionaires by providing them with the information and skills to deliver meaningful, high-quality visitor experiences and, through providing such experiences, assist concessionaires sustain their businesses and operations.
4. Interpretation in developing countries is challenging, as there is the need to balance stories of dispossession and colonialism with authentic positive experiences.
5. Interpretation should be planned and integrated across visitor services provided by the protected area agency and their concessionaires.

Discussion

Nature’s classroom: the story of Mayibongwe Sithole

For Mayibongwe Sithole, who lives in a small village called Mangweni not far from the Kruger National Park, looking for the ‘Big 5’ to show international guests is all in a day’s work.

For this 26-year-old, learning to become a nature

field guide has allowed him to make choices in life that would otherwise not have been available to him. He says:

“It has always been an interest of mine to get into the tourism industry. I couldn’t afford to do a course until I got the learnership with the African Safari Foundation (ASF). The course really did change my life. I always wanted to be in tourism and if I hadn’t gone on the learnership, I wouldn’t be involved in the tourism industry. I would be unemployed. There are no jobs around for the youth. Now I have a job and I really enjoy

¹ Carter, J. (1997) A sense of place—an interpretive planning handbook. Tourism and Environment Initiative, Bridge House, Bridge Street, Inverness IV1 1QR, Scotland, UK.

guiding—but I have big dreams of being one of the top guides in the future, and I want to study further and go to the next level. I want to go all the way, and to never stop learning. What I love about my job is that I get into nature and I get to meet people. To be in this job, you must love the environment, you must love telling stories and you must love being with people from all around the world. Tourism is definitely a way to uplift a community and I hope that more young men like me will get this opportunity.”

The African Safari Foundation (ASF) has spent many years working with safari lodges to transform the guiding industry in southern Africa and make nature field guiding a valuable employment option for communities around the region’s rich wilderness areas. In the past, these kinds of jobs went to well-educated, white school-leavers, who took on the challenge as a great ‘gap-year’ opportunity.

However, sentiments began to change and the demand for highly qualified and well-informed nature guides began to grow due to an increasing emphasis on providing tourists with an opportunity to experience not only the wildlife but also the culture of the people living around the areas where lodges are located².

The idea was to create jobs in the field of nature guiding and to provide training so that the youth from local communities would be equipped to handle these jobs. Since the early days, the training programme has shown some great successes, and for newcomers to the programme—like Mayibongwe—it has been life-changing. He went for his interview with the ASF in 2011 and the next year he started a year-long course at the Southern African Wildlife College in Hoedspruit.

One of the requirements of the course was a practical stint at a game lodge and Mayibongwe did his at Mjejane River Lodge on the Crocodile River just south of the Kruger. He says: “When I finished my course, I was offered a job at Mjejane as a field guide and that is where I am today.”

There are many more like Mayibongwe. For guides such as Moremi Keabetswe and Godfrey Rampopo, who took part in the guide training as far back as 2001, life is also looking good. Godfrey is the

manager at the Buffalo Ridge lodge in the Madikwe Game Reserve, and although Moremi has swapped his khaki uniform for office clothes, he is still actively involved in the development of the industry.

The origins of interpretation

To gain an understanding of the principles of interpretation it helps to look at the work of some of the often recognized pioneers in this field—Ralph Waldo Emerson, Henry Thoreau, John Muir, Enos Mills and Freeman Tilden. All of these individuals were drawn to the beauty and influence of the natural environment.

Emerson was a poet who founded the ‘transcendental club’, which had a focus on the relationship with nature. His writings reflect this, as does the work of other poets, such as William Blake, who wrote:

To see the world in a grain of sand
And heaven in a wildflower
Hold infinity in the palm of your hand
And eternity in an hour³

Henry Thoreau was also a member of the transcendental club and would spend years on spiritual sojourns in the wilderness, the most famous of which was the two years he spent living in a timber cabin. Following these two individuals were the conservationists Enos Mills and John Muir, whose efforts led to the establishment of the world’s first national park, Yellowstone, in the USA.

Freeman Tilden, coined as the father of Interpretation, wrote *Interpreting our Heritage* in 1957, in which he defined interpretation as: “An educational activity which aims to reveal meanings and relationships through the use of original objects, by firsthand experience, and by illustrative media, rather than simply to communicate factual information.”⁴

Tilden also famously stated: “Through interpretation, understanding; through understanding, appreciation; through appreciation, protection.”

We mention these people because they reflect the origins of the term ‘interpretation’ as a practice and

² Massyn, P.J. (2014) African Safari Foundation, Johannesburg, South Africa.

³ Blake, W. (1863) *Auguries of innocence*. The Pickering manuscript in *The life of William Blake* by Alexander Gilchrist, London, England, UK.

⁴ Tilden, F. (1957) *Interpreting our heritage*. University of North Carolina Press, North Carolina, USA.

profession that originated in the study of nature and natural history, and where it was used to promote a greater appreciation of, and deeper connection to, the natural landscape and a strong enthusiasm for protecting it. This focus has relaxed and broadened as people have come to appreciate the wider significance of interpretation as a means of communicating messages and stories.

The value of interpretation

For visitors

In today's world 'factual' information is everywhere ... if you want to know something 'just Google it'. This has led to visitors who are increasingly sophisticated, and whose knowledge continues to grow with the availability of the internet, guide books, documentaries, journals and community awareness.

With the modern abundance of information, visitors are no longer seeking a 'factual guide' who can provide reams of information but, rather, a facilitator who can weave a quality experience that provokes deeper thought and creates strong emotional connections; who does not just provide information but, rather, curates it around a key message and theme. This is where a good concessionaire and the guide they provide can really add value to a protected area's operation.

In many respects this is why interpretation is more about telling a good story than just presenting

facts, because it is through stories that visitors can emotionally connect with issues, whilst also obtaining a greater understanding of particular subject areas.

Visitors are seeking experiences that are personal and relevant to their individual needs, as evidenced by the growing trend for concessionaires to provide experiences that are 'co-created' between their visitors and them, that are interactive and entertaining and that satisfy their visitors' levels of curiosity and need to 'authentic' experiences.

The quality of the experiences visitors receive reflects the balance that is achieved between content and entertainment. Too much content and an experience can become too academic, too much entertainment and it can become frivolous. This is illustrated in Figure 10.1.

For protected area managers

As mentioned above, protected area staff and managers can be involved in a variety of aspects associated with interpretive activities. The most important of these are providing relevant support and resources, quality control and evaluation and promotions.

Protected area managers can also be involved in identifying and developing the relevant messages and activities that form the basis for the interpretive experience. As an example, a number of zoos in Australia are communicating the importance of recycling mobile phones to reduce the impact of mining on gorilla habitats. Using various visitor

Figure 10.1: The balancing act that is Interpretation.

Relevant and meaningful content

Entertainment





Guides like those at Etendeka Mountain Camp and others throughout this chapter play a vital role in helping visitors to learn about, appreciate and support nature conservation. They should be encouraged and supported by park agencies.

contact points, such as guided activities, short presentations and signage, this programme aims to influence visitors to recycle their old mobile phones. To assist this behaviour, the zoos provide pre-paid sachets that visitors can use to post their old mobile phones to a recycling company. The benefit to zoos is their active involvement in a programme that contributes to the conservation of gorilla populations in the wild, which is one of their strategic goals.

Interpretation helps to enrich and enhance the experience of visitors and adds value to their visit. This benefits the protected area through increased advocacy and positive connections. Interpretation can also encourage visitors to adopt minimum impact behaviour and learn about, understand and respect local cultures. Finally, when combined with a great activity, environment and guide, interpretation can encourage visitors to actively support conservation.

For concessionaires

Concessionaires and their staff are generally the people facilitating and delivering the face-to-face interpretive experience for visitors. Such experiences might be provided by just one concessionaire, but in the majority of protected areas the tourism experience involves a number of concessionaires who provide a range of tourism and related hospitality services including tours, transport, accommodation, restaurants and retail, such as souvenir outlets.

Within this chain of experiences there can be no weak links, as it can take just one poor service to compromise all the others. For example, considerable effort might be invested on the traditional 'tourism experience' such as a tour or other face-to-face activities, but this may be wasted if it is not supported by a comparable investment at

other visitor touchpoints—e.g. the retail operation or café. This increased need for consistency of experience across multiple operators and visitor touchpoints is also relevant when communicating messages. If operators are not promoting a consistent and relevant message, then it becomes increasingly hard for visitors to appreciate the protected area.

Positive experiences can be amplified just as easily as poor experiences. The ability of visitors to share their experiences within an ever increasing network of people is part of what is referred to as 'the experience economy'⁵. Social media sites such as TripAdvisor®, Booking.com and Urban Spoon are influenced by these consumers, who provide ratings and comments on their experiences. Within this economy, today's visitor puts significant trust in these ratings and will use the reviews on these social media sites to make behavioural and spending decisions.

Consumers are increasingly suspicious of experiences that rate poorly on social media sites. For concessionaires, providing a positive experience has the potential to increase their business through repeat customers, word-of-mouth endorsement and positive exposure on review sites like TripAdvisor® (see the following case studies on the Maria Island Walk and Jungle treks).

The dynamic and responsive nature of interpretation also provides new opportunities for keeping experiences relevant which, in turn, keeps practitioners (such as concessionaires) from delivering stale and monotonous experiences. The increasing focus on 'in the moment' and conversational interpretation empowers practitioners to be more 'authentic and genuine', and helps to motivate efforts that provide high-quality, relevant and positive experiences.

⁵ The experience economy was first described in 1998 by B. Joseph Pine II and James H. Gilmore—they also produced a book entitled 'The experience economy' in 1999.

Case study: The Maria Island Walk

This case study highlights and describes how the interpretive elements discussed above can be integrated into an award-winning visitor experience.

The Maria Island Walk is a multiple-award-winning, family-owned and operated business in Tasmania, Australia. It also receives a 'perfect score' on TripAdvisor® with an excellent ranking. Some of the comments people have made on TripAdvisor® include: "How Good is This!", "Truly Unforgettable Experience", "WOW!!!!" and "Highlight of our Australian Vacation".

The four-day guided walk in the Maria Island National Park offers an authentic Tasmanian experience, bringing to life local history and culture. Working closely with Parks and Wildlife Tasmania, the business has received widespread acclaim for its environmentally friendly practices in protecting this beautiful island, as well as leadership in the local tourism industry.

Guides are chosen for their unique knowledge of the island, which they love to share. They're familiar with all the birds, native plants and animals. They've studied the history of Maria Island and the stories associated with it.

Each year, guide training sessions are held to transfer knowledge through generations of guides. Resources provided by the Tasmanian Parks and Wildlife Service (PWS) form the base for training, including the Tasmanian Advantage manual⁶. Such resources ensure the guided walk team is aligned in thinking and understanding how to best manage the unique environment. In 2013, Ian Johnstone (the founder of the Maria Island Walk) stated:

"At the Maria Island Walk we find our guests want an experience that is authentic and engaging. They want to be invigorated, where they can be immersed in a different environment or culture and learn about things special to our area. Like Maria's Noah's Ark for Tasmania, its World Heritage convict past and the island's strong connection with the former super continent of Gondwana.

Our guides do an outstanding job in blending this rather complex collection of facts into an interesting and themed journey over the four days. Our guests often say it's these stories with all their interesting twists together with the warmth and enthusiasm of the guides that sets our walk apart and makes it such a memorable and valued experience."



Photo Matt Newton

⁶ The Tasmanian Advantage Manual is discussed later in this chapter.

Case study: Jungle Treks⁷

The author believes there is the beginning of a trend away from the 'staged authentic' experience. That is, those experiences that, whilst promoting authentic experiences, are felt by the visitors to be routine and scripted. There appears to be a desire for visitors to experience the spontaneous and the 'real authentic' ... not the 'packaged authentic'. Rick Morales is an example of a tour operator who is tapping into this trend through his company Jungle Treks.

Morales has worked with many indigenous villages and communities in Panama and became jaded and disillusioned when people were coming with prepared expectations that he sometimes could not deliver and which also had him feeling that he was 'cheating' on the authenticity of the local experience. He started Jungle Treks to provide visitors with an immersive experience of Panama's jungle. He does not promise that visitors will see any animals or have any intimate encounters with indigenous peoples.

What he promises the tourist is the opportunity to experience a jungle for real ... no comfy lodges or sanitized experiences ... just real jungle, complete with heat, sweat, waterfalls, mosquitos and the sounds and smells of the jungle. The bonus comes when, during the trek, the group comes across indigenous villages, spontaneous sightings of wildlife and those awe-inspiring moments that 'just happen'.

He bases his experiences on interpretive principles, as he wants people to finish their treks with a greater sense of understanding and appreciation of the jungle areas of Panama and their importance to indigenous communities. But he is not always explicit in this and often facilitates the experience so that people arrive at this message by themselves. This type of non-sanitized experience in which the promise is highly abstract and improvised seems to be appealing to a new market of people who do not want to experience western comforts in a developing country.



Jungle Treks. Photo: Rick Morales

What protected area managers can do to help concessionaires

Protected area managers can help concessionaires to provide a great experience to visitors by, in particular, organizing and delivering training opportunities, including:

- Working together to identify what skills and

knowledge are needed and developing joint training programmes.

- Identifying opportunities for technical or science staff from protected area agencies to share their insights and understanding of the protected areas' ecology by training concessionaires and their staff. These same protected area specialist staff could be invited to take part as guest speakers in visitor talks and activities.

⁷ For further information refer to www.jungletreks.com

- Using staff from protected area agencies to review the operations of concessionaires with the intention of helping them achieve better practices, rewarding best practice and even showcasing relevant examples to assist other operators. Protected area and concessionaire staff can work together to bring in specialist interpretation staff to work with operators, training them to deliver a high-quality experience.

Protected area managers can also work with concessionaires to collate resources and develop resource kits, factsheets, brochure material, websites etc. so that all guides have the same basic facts and are able to work these into their tours with visitors—these can include resources such as those listed at the end of this chapter. The Tasmanian Advantage manual case study below provides an example of this sort of resource.



In some cases park staff work with operators to deliver interpretative experiences to visitors, in this case in Glacier Bay. Photo: USNPS.

Case study: The Tasmanian Advantage manual⁸

Tasmania is an established nature-based tourism and bushwalking destination, well-known for its wild and iconic natural and cultural landscapes. Natural attractions and visits to a national park are the agenda for 59% of visitors to the state⁹.

Tourism directly and indirectly supports around 17.4%¹⁰ of total Tasmanian employment—the highest tourism proportion in Australia. Consequently, the natural and cultural values of Tasmania impact upon all Tasmanians involved in the tourism industry. Whether businesses operate guided walks, bed and breakfast accommodation, or services; understanding, sharing and appreciating the natural and cultural attributes of Tasmania are vital aspects to many of them.

Parks and Wildlife Service Tasmania (PWS) is responsible for managing the conservation reserve estate in Tasmania—land amounting to 39% of Tasmania, which represents 440 reserves, including

⁸ For further information on the Tasmanian Advantage go to: <https://shop.parks.tas.gov.au/ProductInfo.aspx?id=205>

⁹ Tourism Tasmania (2013) Tourism Information Monitor Q4 Report October to December 2012 accessed from <http://www.tourismtasmania.com.au/research/tim>

¹⁰ Tourism Tasmania (2014) Tourism Fast Facts: a quick guide to tourism in Tasmania as at June 2014, accessed from <http://www.tourismtasmania.com.au/research/visitors>

19 National Parks and the globally significant Tasmanian Wilderness World Heritage Area. PWS appreciates that the tourism industry, if engaged, can provide a bridge between economic benefits and the sustainable future management of natural and cultural values that visitors enjoy. So PWS actively engages with the tourism industry, both directly and indirectly, to improve the awareness of the industry and visitors of the significance of the conservation estate to the economy, the environment and communities (local and global).

An example of direct engagement with the Tasmanian tourism industry is the interpretation resource The Tasmanian Advantage manual and its associated training. The resource manual was compiled in 2002, with the aim of benefiting the environment and the tourism industry (employees and visitors) by providing basic details of the natural and cultural features of Tasmania in a concise handbook supported by web-based updates. The content and training associated with the Tasmanian Advantage manual aimed to:

- Develop the interpretive skills of tour guides, operators, activity leaders and customer service staff
- Increase the understanding, appreciation and conservation of the diversity of Tasmania's flora and fauna
- Help to provide enriching experiences for visitors to Tasmania while minimizing their impact on the environment.

Face-to-face training was conducted throughout Tasmania and offered to tourism operators working within conservation areas, visitor information centres and businesses that offer services supporting the visitor experience in conservation areas (i.e. accommodation, transport operators).

Training and a complimentary manual were offered free of charge to operators with licenses to work within Tasmania's national parks and reserve areas. The contribution from PWS aimed to increase operator's knowledge of the natural and cultural values of the state. The manual is also utilised by schools for educational purposes and by visitor centre staff and tourism operators for staff training.

In 2012, the Tasmanian Advantage manual has been reproduced in a 4th edition—evidence of its effectiveness over the last ten years and ongoing commitment to the initiative.

Box 10.1 provides an example of a highly successful interpretive experience.

Box 10.1: The best interpretive experience in the world ¹¹

In the scrubland of the Kalahari Desert my family learnt how to set traps for food, smoke stuff that tasted ... well, not so good, rubbed medicinal tree bark on our chests, ate wild fruits and then had an archery competition. In two short hours we walked only 200 metres and I would pay to do it all again tomorrow. It was the very best interpretive experience I have ever had because it was interactive, highly authentic and multi-sensory. This experience was provided by the Ju/'Hoansi-San bushman in

¹² Pers. obs. Andy Thompson, 2007. Tourism and concession specialist, Directorate of Parks and Wildlife, Ministry of Environment and Tourism, Namibia.

eastern Namibia who offer visitors necklace making, guided walks, a basic camping area, souvenir sales and archery. I was really impressed with:

- The welcome we received
- The simple pricing board that listed the activities and the prices—this not only helped us to choose what we wanted to do but also took away the need to haggle and the possibility of feeling ripped off
- The placement of the ‘traditional’ village away from the ‘normal’ village, which was culturally sensitive and authentic and gave the community privacy when not at work
- The fact that the sale of souvenirs was left until the end—we had such a good time that we naturally wanted to buy mementos (and, again, prices were clear), so we ended up doubling our expenditure on the guided trip by purchasing souvenirs.

What this amounted to was a well-thought-out and authentic visitor experience from which we learnt a lot. It was obvious that the benefits of our visit were going straight back to the community and the community members were managing the operation for their own benefit¹².



Making necklaces, archery competitions and setting bird traps were all part of the hands-on experience

Interpretation—what park managers should look for

What does not work

Generally, the interpretive effort is less than effective when interpretation is seen as ‘just giving information’ without any thought being given to

message and intention. Within this context, less than effective interpretation would include:

- Simply putting up signs and thinking that this is interpretation. It might be, but only if it is the outcome of some solid and well-thought-out interpretive design work.
- When visitor services are information heavy—this can include signage with many blocks of text

¹² For more information, refer to The Living Culture Foundation Namibia, www.lcfn.info

or a guide who delivers large amounts of verbal information.

- When interpretation is influenced by the belief that people want to know all the details—they will only remember a few things, so make them count.
- Thinking that interpretation is simply telling people information without giving any thought to the wider context of the relevance of this information to the visitor.
- That interpretation is an immediate fix for a business that is struggling.
- That interpretation works in isolation—which is often the case with projects that see interpretation as a ‘nice to have’ at the end of a project. Interpretation needs to be integrated throughout activities and should be one of the key drivers of the activity.

What does work (from a protected area manager’s perspective)

Protected area managers need to know that concessionaires are delivering face-to-face experiences for visitors that are enjoyable and professional and that, ultimately, help visitors to understand and appreciate protected areas. Staff should regularly monitor, either overtly or as a ‘mystery shopper’ the experience and interpretation offered by concessionaires in protected areas. Table 10.2 can be used for this, but the following elements also provide a useful guide for staff.

A concessionaire who practices the following would typically be delivering a poor experience:

- Does not consider the visitor when preparing and delivering their commentary; for example, they talk in a factual and non-engaging manner.
- Does not have any structure in the activity which, from a visitor’s perspective, appears disorganized and ill-prepared.
- Has no clear message to their commentary.
- Presents a collection of factual information so that the activity feels very content-heavy.
- Fabricates information when responding to a question asked by a visitor when they do not know the correct answer.

- Does not seek to evaluate their activity in any way.
- Do not introduce themselves or seek to learn anything about their visitors (e.g. not making an effort to learn names, showing no interest in visitors’ country of origin or travel plans).
- The protected area agency receives complaints from concessionaires’ clients.

A concessionaire who demonstrates the following elements might be delivering good experiences but may still have room for improvement:

- Presents accurate information and seeks to make some of their delivery relevant to their visitor.
- Does not criticize the protected area agency or other operators to their clients.
- Advises the visitor what behaviour is appropriate for the activity—but only at the start of the activity and does not reinforce this when needed or link it to any conservation message.
- Includes some opportunities for the experience to be engaging and interactive for the visitor.
- Makes some effort to engage on a personal level with visitors by sharing personal information and by seeking to learn something about the visitor—the latter can include travel plans, specific interests relating to the area they are visiting and country of origin.
- Undertakes some evaluation of their activity.
- Follows up with visitors when requested but not in any systemized or efficient manner.
- Delivers a good experience but does not seek to continually better their skills or knowledge.

Elements a concessionaire would demonstrate if delivering high-quality experiences:

- Discusses conservation issues and challenges and the work that is being done to overcome these.
- Advises visitors of the behaviour appropriate to the activity—and links this to conservation messages (such as the need to minimize impact on the natural and cultural environment, and

encouraging them to continue this in other protected areas. They also reinforce this when appropriate and relevant throughout the activity.

- Visitors are advised on how their visit has supported conservation and how they can continue to support conservation through taking appropriate actions.
- Employs a repertoire of communication strategies to ensure their activity is best suited to the communication needs of the visitor.
- Seeks to make the experience enjoyable.
- Incorporates evaluation of their activity as part of a regular planning process.
- The experience changes people's views and behaviour and is recognised in tourism awards, articles and magazines as outstanding.

Evaluation

In cases where customer service and interpretation are important outcomes from concession activities, protected area agencies may well want to assess the quality of the experience provided by concessionaires. There are a number of ways of doing this, ranging from reviewing TripAdvisor® ratings to mystery shopping operations as an undercover customer, to asking clients to complete formal evaluations. An example evaluation programme which might be provided to visitors is provided in Appendix 10.1. A self-assessment form that can be used by a concessionaire to evaluate their own operation is provided in Appendix 10.2

SUMMARY

Protected area managers can work with their concessionaires to considerably boost the quality of the visitor experience, communicate conservation stories and increase engagement in conservation. The interpretive experience is one that involves a multitude of relationships between the concessionaire, protected area manager and staff, visitor and host community. It is an experience that seeks to generate a meaningful gain for these relationships and, within the context of protected areas, seeks to develop positive connections and behaviours that minimize impact on the environment and local cultures, support conservation and lead to direct action, as this benefits the visitor, the operator and the park.

What sets an interpretive activity apart from other tourism-based activities is the focus on facilitating a positive and memorable experience that is personal and relevant to the visitor, provokes deeper thought, evokes strong emotional connections and delivers information collected around key messages and themes. The latter is of particular importance, as the modern-day visitor is increasingly sophisticated and knowledgeable and does not just want to 'learn facts' (which they can easily find themselves using Google), but would rather have an experience that communicates an engaging story.

Whilst protected area staff and managers may be involved in delivering interpretive experiences themselves, the work they do to enable concessionaires to do this is equally important. This includes providing the support and resources to help concessionaires craft relevant messages, deliver positive interpretive activities and to integrate quality control and evaluation measures that ensure activities are performed well. This, in turn, maximizes the opportunities for participants of these experiences to be enthusiastic advocates and to support and promote the messages associated with their experience. This promotional effort is likely to extend not only to people such as families and friends but also to online consumer sites such as TripAdvisor®.

ACTIONS

1. Use the evaluation form in Appendix 10.1 to review the interpretative experience offered by concessionaires. Assess their TripAdvisor® ratings and identify best practice examples. Meet with concessionaires to discuss the results and agree on any follow-up actions.
2. Ensure 'presentation of the protected area' is a criteria in tender evaluations and there are conditions in the contract that require concessionaires to present the protected area to a high standard.
3. Identify the potential to enhance the existing interpretive experiences and/or create new experiences with concessionaires, including provision of training on interpretation, arranging for protected area specialist staff to present their conservation work to guides, developing information resource kits for guides, getting concessionaires to visit operators in other protected areas who demonstrate best-practice activities.
4. Help concessionaires to identify:
 - a. The key conservation messages and stories to be communicated through interpretive experiences.
 - b. The key behaviours that are to be influenced through interpretive experiences.
5. Identify the opportunities for protected area agency staff and concessionaires to share their expertise, experience and resources through training and professional development opportunities.
6. Ensure that concessionaires are evaluating the quality of the experience they provide.

TOOLS

An example interpretation evaluation form which can be provided to visitors is provided in Appendix 10.1

An example self assessment form for concessionaires to use to evaluate their own operation is provided at Appendix 10.2

Material for concessionaires on crafting an interpretative experience is provided in Appendix 10.3.

Other sources of information include:

- Media platypus. This international interpretive social media blog is a good source of examples and inspiration: <http://www.mediaplatypus.com/>
- Interpretation Australia: www.interpretationaustralia.asn.au
- Ecotourism Australia: www.ecotourism.org.au
- Interpret Europe: <http://www.interpret-europe.net/>
- National Association for Interpretation: <http://www.interpnet.com/>
- Interpretation Network New Zealand: <http://www.innz.net.nz/>
- Association for Heritage Interpretation: <http://www.ahi.org.uk/>

There are tools such as the POWER framework developed by Zoos Victoria which is an effective planning tool now used by a number of organisations in Australia and New Zealand. Details are



Guides should not normally handle wildlife but this rock chameleon was in the middle of the vehicle track so is being gently moved, Skelton Coast National Park, Namibia

available from the Interpretation Australia website (<http://bit.ly/1gjrYSz>) or by contacting Zoos Victoria www.zoo.org.au.

Professor (Emeritus) Sam Ham has been long recognised as one of the world's interpretation gurus and has spent much time promoting the value of interpretation and, in particular, the value of thematic interpretation (as mentioned earlier) through his TORE framework, which proposes that an interpretive experience needs to be Thematic, Organised, Relevant and Enjoyable. His latest book *Making a difference on Purpose* extends discussion of the TORE framework.



Typical ger camp as seen on tour with Nomadic Journeys, Mongolia.
Photo: Marcus Olsson

Introduction

“The profitability and sustainability of our business depends upon the health of the wilderness areas in which we operate and the ecosystems and species they seek to conserve”(Wilderness Holdings, 2014).

“Today I am more convinced than ever before that conservation is the real cornerstone of New Zealand’s tourism industry. Tourism and conservation need each other for mutual survival...”¹

Previous chapters examined concessions from the perspective of government, particularly the agencies responsible for the day-to-day management of protected areas. The focus now shifts to the views of the private firms operating tourism businesses inside protected areas. What’s it like to be a concession operator, given all the requirements and regulations that apply in protected areas? What’s it like to work with protected area agency staff? How can staff make it easier for concessionaires without compromising their primary mission of biodiversity conservation? How can protected area agencies better attract investment from tourism firms? What are the areas of mutual interest where concessionaires and protected area agencies can work together for their common good?

Concessionaires in different settings do, of course, face many challenges that are specific to their localities. The experience of operators in Mozambique differs from their counterparts in Mongolia, Peru or Canada. Nevertheless, there are many common themes in the views articulated by concession operators around the world. This chapter seeks to give protected area agency staff insight into some of the most widely expressed of these views. It is based on interviews with seven operators who operate concessions in twenty countries in Africa, Asia and Australasia. It profiles key findings from surveys conducted by the US National Parks Service, the New South Wales National Parks and Wildlife Service, a case study from Queensland, Australia and includes the views of the Tour Operators Initiative, a forum that gives a collective voice to some of the world’s largest concession operators.

Key messages

1. Concessionaires are partners with protected area agencies in helping to make conservation a success.
2. Protected area agencies must talk to concessionaires to understand their business needs. They need to find out what they can do to help each concessionaire be successful and able, in turn, to benefit the protected area.
3. Obtaining the views of concessionaires provides a valuable feedback loop that will help protected area agencies build better concession systems.

Discussion

The discussion in this chapter is focused around seven general principles that were identified from discussions with and information and feedback provided by concessionaires. Details of the concessionaires who generously contributed this information are provided in Appendix 11.1.

Concessions operators and protected area agencies share an interest in conservation

Other chapters in this report discuss the considerable contribution concession operations, when managed properly, can make to protected area agency goals. But operators of tourism concessions consistently stress that the opposite is equally true: well-managed protected areas are vital to the success of the private businesses operating within their boundaries. Concessionaires everywhere emphasize their commitment to—and, indeed, their dependence

¹ Hutchins, L. (1998) Making waves, Queenstown, New Zealand. P. 198.

on—successful protection of the areas where they do business. They point out that concessionaires and protected area agencies have a mutual interest in protecting “the resource that attracts people in the first place”². “Protected area staff should recognize that the bedrock of our partnership lies in our common desire to conserve the areas in which we operate”³. “This is enlightened self-interest”, says Wilderness Safaris, one of Africa’s leading concessions operators. “Our business depends on the health of the ecosystems and species that are the attractions for our guests. Any negative impacts on the environment resulting from our operations would reduce their attractiveness and thus the competitiveness of our business. Conversely, improvements to biodiversity and species will increase the attractiveness of our tourism operations and thus the success of the business”⁴. “Protected area staff that ‘get it’, who see that concessions are a support act, are great to work with. We are all conservationists! Those who see concessions as something they have to put up with miss the point and can make our lives a misery”⁵.

Mutual understanding and cooperation are the building blocks for successful partnerships

Many operators stress the importance of cooperation built on mutual understanding: “instead of viewing ecotourism operators as money grubbers, view them as conservation partners”^A. Operators often feel that protected area managers do not understand the pressures of the commercial world: “you imagine what the job is, but you don’t know”⁶. Another operator surveyed by the US National Parks Service (NPS) put it as follows: “the NPS folks often seem to live in another world that

is not related to the profit/loss operation reality of the concessionaire that is within their own park”^B. An example of an area where many operators feel protected area agencies lack understanding is the length of term of concessions, which protected area managers often want to restrict but operators believe should be long enough to encourage investment and allow reasonable returns on invested capital. The Tour Operators Initiative, a forum that gives a collective voice to some of the world’s largest operators, sums up the sentiment of many when they stress the need to build understanding and consensus between operators and protected area staff: “although the goals of different stakeholders can be quite varied, tourism activities can only be sustainable if implemented with a common understanding and consensus-based approach to development. Successfully addressing the challenges of tourism in protected areas requires strong co-operation among all parties”⁷.

Protected area managers should therefore make a concerted effort to build understanding amongst their staff of the pressures and realities concessionaires face in the commercial world. Such understanding is a vital ingredient of successful partnerships. In response, some protected area managers have sent staff to work with concessionaires for periods so that they can develop more empathy for and better-understand tourism operations, visitors, impacts and business challenges. Another approach involves targeting concession staff recruitment towards people with experience in the tourism sector.

The need for protected area agencies and concessionaires to develop partnerships is highlighted in the following case study from Queensland, Australia.

² Pers. comm. Anne Saunders and Gerry McSweeney, 2014. Owners of the Arthurs Pass and Lake Moeraki Wilderness Lodges in New Zealand.

³ Pers. comm. Chris Rightford, 2014. Owner of The Nature Workshop.

⁴ Wilderness Holdings (2013) Integrated annual report, Johannesburg, South Africa.

⁵ Pers. comm. Les Carlisle 2014. Group Conversation Manager for & Beyond.

^A Pers. comm. Anne Saunders and Gerry McSweeney, 2014.

⁶ NPS (2013) What operators think. Unpublished survey. The references are drawn from responses received by the NPS during a 2013 survey of 236 concessionaires with small commercial services contracts.

^B Ibid.

⁷ TOIFSTD (Tour Operators Initiative for Sustainable Tourism Development) (2012) Tour operators’ contributions to sustainable tourism in protected areas. <http://www.toinitiative.org/> (accessed June 2014).

Case study: Queensland Action Plan

Australia's Queensland Action Plan provides a series of recommendations to the Queensland State Government and the tourism industry designed to enhance nature-based tourism and conservation in Queensland's park system. It focuses on a partnership approach between operators and park agencies, with partnership criteria that are based on six principles:

1. **Shared bottom line objectives:** Partnerships are designed to meet clearly defined financial, environmental and social objectives. The objectives should be measurable. For tourism in protected areas, these bottom line objectives are:
 - **Conservation:** Provide environmentally sound tourism operations that are compatible with protected area agencies' conservation objectives and management plans, which contribute to conservation via revenue, visitor management or direct provision of conservation services.
 - **Visitor experiences:** Provide innovative and internationally competitive visitor experiences which attract a commercially viable tourism market and educate visitors to enable them to become champions of conservation and protected areas.
 - **Commercial viability:** Provide revenue streams for protected area agencies, competitive return on investment for investors and profitability for operators.
 - **Regional social and economic contribution:** Provide an economic contribution and employment opportunities to gateway towns, regional economies and indigenous communities at protected area destinations
2. **Shared risks and returns:** Partnerships should provide shared incentives and penalties, risks and returns, for both partners against the shared bottom line objectives. Risks and returns can be financial, in-kind provision of services or other incentives, such as extended tenure. Similarly, incentives such as extended tenure can be granted on the basis of achieving conservation objectives.
3. **Long term partnerships:** Partnerships require long-term commitment between protected area agencies and the private sector. Conservation objectives in particular require a long-term planning horizon and a long-term interest in the land to build incentives to manage the environment for the future. Equally, longer tenure periods for private operators on Crown land are needed for commercial viability and returns to protected area agencies when significant capital investment is made.
4. **Build and Operate:** Partnerships should encompass the building, maintenance, refurbishment and operation of parks infrastructure, services and experiences, rather than separate contracts for works and service delivery. This will ensure that the design, building and maintenance will be undertaken with a long-term interest in achieving the conservation and visitor experience objectives.
5. **Reputable and capable partners:** For partnerships to benefit conservation requires concessionaires with eco-tourism accreditation, positive track records on environmental issues, expertise in environment management and/or a significant brand investment in their environmental credentials. Equally, protected area agency partners need commercial expertise and capability.
6. **Institution frameworks and knowledge transfer:** Successful partnerships require supportive legal, regulatory and institutional frameworks to succeed.

Trekking with Nomadic Journeys in Mongolia's Gorkhi Terelj National Park.
Photo: Nomadic Journeys



Concessionaires need certainty and consistency in park planning and management

Concession operators everywhere demand certainty and consistency in the planning and management of protected areas. The Tour Operators Initiative calls for tourism in protected areas to be “supported by effective policies, guidelines, management strategies and technical tools”^C. “Agencies need to understand the needs of partners and the importance of providing clarity and certainty in regard to partnership conditions which may run for extended periods”⁹. “The upper echelons [park managers] need to clarify what they want and then act as consistently as they can. For example, if they want to enable use and business and this is the goal, then they should act in this way and not hide behind the management planning processes and other statutory processes”^D. “Most importantly the tourism sector needs to be consulted early in any concession process so that

they can work with the protected area managers to produce a product that makes commercial sense. Often managers put tourism into areas they think can handle tourism rather than areas that tourism needs to be to be competitive”^E.

Lack of consistency creates confusion, not only amongst concessionaires but also amongst their guests: “the main drawback is that one is often restricted from doing activities in certain parks that are allowed in other parks and this creates confusion amongst operators and guests alike. In Tanzania, night drives are, for example, allowed in Lake Manyara National Park, but not in Serengeti. Guests who visit both parks then question whether it’s a good or a bad thing, and often say it must be bad if it’s not allowed but that isn’t the case if it’s done properly and in a controlled fashion”^F. Box 11.1 provides an example of this concern from Madikwe Game Reserve in South Africa.

The need for consistency in protected area planning and management is highlighted in the following case study.

^C TOIFSTD (Tour Operators Initiative for Sustainable Tourism Development) (2012) Tour operators’ contributions to sustainable tourism in protected areas. <http://www.toinitiative.org/> (accessed June 2014).

⁹ Parks Forum (2012) Exploring revenue models for parks agencies. Proceedings of the Parks Forum Innovative Revenue Models Workshop.

^D Lawrie, 2014.

^E Pers. comm. Les Carlisle 2014.

^F Ibid.

Box 11.1: Concerns about lack of consistency in approach

An operator in the Madikwe Game Reserve in South Africa expressed frustration at changes in the planning framework for the park that dramatically increased the number of lodge concessions: “when we signed our concession agreement more than a decade ago, the development plan for the park included about a dozen lodges. The Parks Board subsequently increased the number of concessions until we ended with almost three times as many as originally planned. This has had a huge impact on our business because there are now simply too many beds chasing too few bums” (Anonymous, pers. comm. 2014).

Case study: An independent review of leases in New South Wales, Australia¹⁰

In an independent review of leases (concessions) managed by the New South Wales National Park Service (NPWS) found that a lease’s ‘success’ seems to be determined by the personality of the concessionaire, their entrepreneurial skills and their ability to work with the NPWS. The review found that there is a perception by the NPWS that lessees’ operations are in conflict with its core business to manage protected areas. It was found that this is a valid and important concern. However, once the NPWS legally commits itself to lease agreements, then the organization and its staff need to fully recognize their role in managing and supporting the partnership so that both parties can meet their respective goals in a mutually beneficial and rewarding manner. In order to move towards a partnership approach, the NPWS was challenged to adopt a holistic and strategic approach to its relationship management, in line with the seven principles outlined below:

Principle 1: A strategic, coordinated and organization-wide approach is taken to the identification and development of lease arrangements.

Principle 2: The sourcing and selection of potential lessees is facilitated in a manner that is clear, inviting and encouraging and provides applicants with good insight into the nature of partnerships with the NPWS.

Principle 3: Partnerships with lessees are publicly and openly recognized and promoted, on an ongoing basis.

Principle 4: Lessees’ requests are responded to in a timely and efficient way, so that their businesses can continue to operate in a professional manner.

Principle 5: NPWS is proactive in strategically predicting lessees’ more complex requests and provides a clear structure for their resolution.

Principle 6: NPWS capitalizes on their lessees’ skills, knowledge and services, and utilizes these assets.

Principle 7: The personal commitment of lessees to their businesses is recognized, and their long-term business goals facilitated.

¹⁰ Wilson, E.; Nielsen, N.; Buultjens, J. (2008) From lessees to partners: exploring relationships between NSW NPWS and private visitor facility providers. CRC for Sustainable Tourism Pty Ltd. Australia.

Concessionaires provide a range of accommodation options at a number of price points, this image shows the traditional park camping experience for families that 'replicates' the equipment of the early explorers in Yosemite National Park USA.



Red tape and complex procedures hamper business

Most concession operators recognize the importance of regulating commercial activities in protected areas. "Government regulation generally provides a useful framework that helps to manage appropriate use of these areas. By and large these requirements are a real positive, helping to manage the impacts of commercial activities on conservation"¹¹. But there is also a widespread perception that concession systems are generally too slow, bureaucratic and restrictive. "What doesn't work so well is where there are some requirements in conservation planning instruments such as management plans and strategies that are overly restrictive and appear to be at odds with some of the main objectives of the area". "If you are an entrepreneur, you can make a decision in a minute. If you are a government official, this process can take months or even years"¹². Concessionaires generally want an expedited process and a clear response; they particularly dislike long-drawn-out

procedures that tie up time and capital that could be deployed elsewhere. "I think the National Park Service and other permitting agencies create work for everyone by monitoring and keeping track of the things that we are supposed to be doing, instead of the things that we are not supposed to be doing. There is a big difference between 'show us you are doing everything right' and 'don't do anything wrong.' The latter is much less work for everyone. I guess the difference is that 'less work' isn't necessarily a government worker's highest priority whereas it is a private business person's highest priority"¹³. Clearly, the challenge facing park managers is to "reduce bureaucracy in the space between parks agencies and potential partners or concessionaires, without threatening probity or park values"¹⁴.

Concession operators in some developing countries face an even greater challenge; some believe that complex requirements and red tape are deliberately set in place to enable officials to issue fines or, in extreme cases, extort bribes. "One has to be exceptionally cautious in not contravening the

¹¹ Pers. comm. Dean Lawrie 2014. Former General Manager, Strategy and and Business Development, at Ngai Tahu Tourism Limited. Ngai Tahu Tourism is the second largest concessionaire in New Zealand.

¹² Pers. comm. Dave Law 2014. Managing director of Barra Resorts in Mozambique.

¹³ NPS (2013) What operators think. Unpublished survey. The references are drawn from responses received by the NPS during a 2013 survey of 236 concessionaires with small commercial services contracts.

¹⁴ Parks Forum (2012) Exploring revenue models for parks agencies. Proceedings of the Parks Forum Innovative Revenue Models Workshop.

multitude of laws and regulations. Unfortunately, there seems to be a culture of targeting tourism operations for a multitude of fees and fines. Many officials depend on these to survive¹³.

Concessionaires need efficient and professionally staffed agencies as partners

Concession operators clearly have an interest in well-run and competently staffed protected area agencies as a key requirement for developing confidence and increasing investment in protected areas. Many operators, especially those running concessions in developing countries, point to a lack of skills and professionalism amongst protected area staff. Jan Wigsten of Nomadic Journey Ltd, who operates in Mongolia, points out that “the pool of skill sets ... is too limited for undertaking the roles they are being asked to fulfill, and creating large gaps in the business environment and the understanding of roles”. He goes further by raising another concern common amongst operators in developing countries: “the Mongolian business environment is risky and overly dependent on political fluctuations”¹³

Political interference and corruption are extreme but widespread problems faced by concessionaires in many parts of the world. Many concessionaires, particularly those doing business in some countries of the developing world, did not want to be quoted, but privately expressed severe frustration, pointing out that this problem is often the main impediment to greater investment and business success.

Concessions revenue should be reinvested in protected areas

Concession operators—like protected area agencies—benefit if revenue from concessions is re-invested in the protected areas where they do business. The Tour Operators Initiative emphasizes the importance of ‘direct revenues’ financing park management: “tourism can benefit a national park or other protected area by serving as a financing

mechanism, with direct revenues from user fees and taxes used to protect biological resources and maintain natural areas”^J. Using concession income for protected area improvement creates a direct link between effort and reward—the more successful the operation, the greater the investment in the area. This reinforces a sense of partnership between protected area managers and concession operators by creating a shared incentive for success. It also helps to establish the legitimacy of concessions in the eyes of managers: “it is disheartening to see our concession fees disappearing into government coffers. It’s hard to convince staff that we’re the park’s economic engine if they never see the money”^K. A small caution is in order here. While retention of protected area revenue is obviously important, any responsible system will allow for cross-subsidisation between parks. The point is not so much the retention of fees at individual protected area level, but the principle of returning all fees to conservation and ensuring that protected areas—and the businesses they host—benefit from fees paid.

Concessions should benefit resident and neighbouring communities

Many concession operators argue that protected areas—and the concessions they support—should contribute to their local economies. “The long-term sustainability of the business is dependent upon the goodwill of these communities. We use a variety of mechanisms to ensure this goodwill persists, including paying market related rentals or profit shares, regular dialogue and responsible business practices”^L. Les Carlisle, the conservation manager of &Beyond, a major concession operator in Africa and India, sums up the common interest of protected area agencies and concessions operators in building local support for conservation: “both need well-managed and secure wildlife areas to operate in; both need commercial realities to be considered; most importantly, both need the local communities outside the fence to receive benefits from the protected area”^M.

¹³ Pers. comm. Jan Wigsten 2014. Co-owner, Nomadic Journeys in Mongolia.

^I Pers. comm. Anonymous operator 2014.

^J TOIFSTD (Tour Operators Initiative for Sustainable Tourism Development) (2012) Tour operators’ contributions to sustainable tourism in protected areas. <http://www.toinitiative.org/> (accessed June 2014).

^K Pers. comm. Les Carlisle 2014.

^L Wilderness Holdings (2013) Integrated annual report, Johannesburg, South Africa.

^M Pers. comm. Les Carlisle 2014.

SUMMARY

This chapter has focused on understanding the views of concessionaires and how protected area agencies can improve the way they work with concessionaires. The concession operators interviewed for this chapter, from a wide range of countries, shared their experience and views freely and frankly in order for us, as protected area staff, to learn from their combined experience. From these views seven general principles emerged:

1. Concession operators and protected area agencies share an interest in conservation.
2. Mutual understanding and cooperation are the building blocks for successful partnerships.
3. Operators need certainty and consistency in protected area planning and management.
4. Red tape and complex procedures hamper business.
5. Operators need efficient and professionally staffed agencies as partners.
6. Concession revenue should be reinvested in protected areas.
7. Concessions must benefit resident and neighbouring communities.

Protected area agencies need to view concessionaires as partners. This does not mean that public interests are excluded, no benefit accrues to local communities or that protected area agencies unreasonably favour established interests. However, once a concessionaire is approved to operate, agencies should help to ensure the operator is successful. A successful concession partner will provide valuable visitor services, income, employment and even direct support for conservation that helps the protected area to achieve its key objectives.

ACTIONS

1. Recognize concession operators as partners—not adversaries—who share an interest in the protection and success of the areas where they operate.
2. Involve concession partners in the planning process to ensure a sustainable alignment between commercial and conservation interests.
3. Engage in ongoing dialogue and exchange to build understanding and consensus between protected area staff and concession operators.
4. Build confidence and trust by providing certainty, consistency and clarity in park planning and concession management.
5. Build the institutional and human capacity needed to efficiently manage concessions.
6. Reduce red tape and simplify procedures as much as possible without compromising protected area values and biodiversity conservation.
7. Develop standardized but user-friendly procedures and templates for the management of tourism concessions.
8. Avoid political interference and corruption in the awarding and management of concessions.
9. Work together to ensure that protected areas and concessions benefit local communities and conservation.
10. Ensure that the length of concession terms encourage investment and fair returns on invested capital.
11. Send staff to work with concession operators for a few weeks so that they can understand the challenges and opportunities of tourism operations in protected areas.

Small, collapsible ger camps like this one in Mongolia's Gorkhi Terelj National Park offer a five star camping experience and have no lasting impact on the environment.
Photo: Nomadic Journeys





Dart River Jet provide a funyaks experience for visitors in Southern New Zealand.
Photo: Ngai Tahu Tourism

Introduction

“Conserving natural and historic heritage and providing opportunities for recreation remain fundamental, and this work provides vital infrastructure and jobs for communities. This work does not have to be done by the Department alone, and we know that the scale of the conservation task is such that this would not be possible. By looking for opportunities to work with business and others, the Department can both achieve conservation gains and contribute to New Zealand’s wellbeing and prosperity”

Al Morrison, Director General, Department of Conservation, New Zealand.¹

Re-introducing black rhinoceros into the Okavango Delta in Botswana or saving the threatened blue duck (whio) in Fiordland, New Zealand does not sound like normal work for concessionaires—but it is for some who are willing to go the extra mile and put something back into the areas where they live and work. Globally, conservation needs all the help it can get. The protection of biodiversity and vital habitat has not kept up with the rapid pace of development or habitat and species loss. Concessionaires provide a number of important outcomes that assist protected area agencies to achieve their conservation goals. Chapter Six discussed fees and rentals and demonstrated how concessions contribute to funding protected areas. Chapter Ten looked at how concessionaires can enhance visitor and education outcomes through good interpretation and a quality visitor experience. This chapter looks at some of the conservation and economic outcomes that concessionaires can provide directly and what protected area agency managers can do to encourage more of this.

Key messages

1. The conservation job in many countries is larger than protected area agencies can achieve on their own; many managers recognize this and engage the public, volunteers and concessionaires in projects that contribute to their area’s conservation goals. Concessionaire involvement in conservation can be great for biodiversity outcomes and good for business.
2. Having concessionaires actively engaged in conservation should be encouraged and concession operators can contribute in a number of ways.
3. The financial and economic benefits from successful concession operations extend beyond the boundaries of the protected area into local, regional and national economies.
4. Concession activities can be powerful economic drivers, especially in rural economies where jobs are otherwise hard to come by. Protected area agency managers need to tell this story so the public (particularly local communities) and decision makers understand that protected areas are positive, worthwhile investments.
5. Gathering a small amount of information from concessionaires (e.g. gross turn over and number of full time equivalent (FTE) staff employed) can help protected area managers demonstrate the economic benefit of conservation.

Discussion

According to a United Nations Environment Programme (UNEP) report², tourism is a significant driver for growth in the world economy, representing 5% of the world’s Gross Domestic Product (GDP) and about 8% of total employment. International tourism ranks fourth (after fuels, chemicals and automotive products) in global exports, with an industry value of US\$1 trillion per year. The report states that there are about 4 billion domestic arrivals every year and that, in 2010, some 940 million international tourists were recorded. Tourism is also the main source of foreign exchange for one-third of the world’s developing countries and half of the least-developed countries.

Nature-based tourism (such as wildlife viewing and outdoor recreation—much of it centred on protected areas) is, reportedly, one of the world’s

¹ Introduction to concessions, www.doc.govt.nz/global/training-courses/concessions (accessed February 2013).

² United Nations Environment Programme and World Tourism Organization (2012) *Tourism in the Green Economy*, Background Report, UNWTO, Madrid.

fastest-growing tourism sectors³. Managed well, nature-based tourism is an important ecosystem service that is capable of generating substantial resources for both conservation and local economic development. Managed poorly, tourism can be a threat to the viability of protected areas and can also result in poor economic outcomes for local communities living in, or around, such areas. Ultimately, conservation is the key objective of protected areas. While there is a need to 'balance' the objectives of conservation, recreation and tourism, the ideal for any protected area agency manager must be to have recreation and tourism, including commercial concession activities, contribute directly to the primary conservation mission⁴. This is not always easy and there is no single recipe for success⁵. Managers need to continually ask themselves the following question: 'Does this concession operation assist the conservation goal for my area or does it detract from it?'

Over and above paying concession fees, minimizing impacts and adhering to other contractual terms and conditions, some concessionaires contribute directly to conservation, forming a symbiotic relationship with the protected area. This means that the protected area would be in a worse condition if the concession operation was not present. So, not only does the concession operation minimize its impact, but it also contributes directly to the primary goal of the protected area. Concessionaires can directly contribute to protected areas in many ways; here are some examples:

1. Raising funds (in addition to their concession fees) to sponsor conservation projects or equipment via independent NGOs or trust funds⁶
2. Having staff and, in some cases, clients, undertake weed and pest control
3. Monitoring rare wildlife sightings and movements
4. Undertaking and aiding conservation research
5. Directly helping to save threatened species and re-releasing them into the wild (sometimes with

- a tourism product built around this)
6. Advocating for further protection of natural environments
7. Directly creating new conservation areas specifically for conservation, tourism and even trophy hunting purposes.
8. Work with local communities on social programmes such as schools, or clinics
9. Providing local people, particularly children, with opportunities to visit the protected area and learn about conservation
10. Helping with anti-poaching activities by maintaining roads and airstrips and reporting suspicious activities and contributing to fire prevention or fire fighting.
11. Transport and logistical support for protected area staff

Another style of contribution is described by a concessionaire in New Zealand:

"... the most important contribution to conservation we make isn't messing round with wilding pines [a weed] or poisoning possums [a pest animal], it's actually existing and existing profitably. The reason I say that is because it's the role model and the role model is absolutely crucial if we can demonstrate that business with a strong conservation philosophy is able to successfully operate in the natural environment, whether it be rainforest or the high country. ... I say that because in fact we are right at the crunch-point now of needing to show that conservation does pay its way. ... That has some requirements; one is that we do it, the second is that we have a public awareness responsibility to show that we do it, and the third is that we have an advocacy role where we encourage others to do what we're doing ... In the context of doing it, there are some local contributions we make," Dr Gerry McSweeney, 2004⁷

³ Balmford, A.; Beresford, J.; Green, J.; Naidoo, R.; Walpole, M. et al. (2009) A global perspective on trends in nature-based tourism. *PLoS Biol* 7(6): e1000144.

⁴ Buckley, R.; Pickering, C.; Weaver, D.B. (2003) *Nature Based Tourism, Environment and Land Management*, CABI Publishing, Wallingford, UK.

⁵ Eagles, P.F.; McCool, S.F.; Haynes C.D. (2002) *Sustainable Tourism in Protected Areas: Guidelines for Planning and Management*, Series No 8. WCPA, IUCN, UNEP, and WTO.

⁶ In the USA, concessionaires are strictly prohibited from giving or fundraising—it can promote an appearance and sometimes, a real, conflict of interest. "I gave your foundation \$100k, why didn't I get the contract?" or worse: "I know X company gave you \$100k, that's why they got the contract and my company did not."

⁷ Cited in Thompson, A.M. (2004) *Concessionaire champions—conservation and tourism in action: a study of concessionaires who contribute actively to conservation outcomes*. Unpublished MSc Dissertation, Lincoln University, New Zealand.

⁸ As above.

Operators who contribute to conservation appear to do so for a number of reasons, including⁸:

1. It is what discerning travellers want to see when they purchase a nature-based tourism product—it can be a marketing tool.
2. The work improves the environment that the concessionaire operates in, therefore improving the quality of the product they offer visitors (e.g. weed control, beach clean-ups or pest control so birdlife is more numerous).
3. It provides an extra 'feel good' factor so visitors leave feeling they have contributed to something positive.
4. It has allowed them to build a tourism and business product around conservation actions (e.g. kiwi egg raising in New Zealand)
5. For altruistic purposes—operators come to appreciate, know and deeply empathize with the environment they operate in so they get involved in looking after it
6. Conservation is a core value and reason why the business is established—the Conservation Corporation Model⁹.

Case study: Real Journeys—concessionaires producing conservation outcomes

Real Journeys is one of New Zealand's most successful tourism companies. It holds a significant number of concessions in protected areas such as Fiordland and Rakiura National Parks. The company has been involved in conservation from its inception in the late 1950s. It has developed an innovative range of methods for raising support for conservation projects. However, the operators do more than just raise money—to their credit, company staff get involved in a 'hands on' way. Here are some examples of the work they do:

- Stoats and rats are introduced pests to New Zealand and prey on native birds. In Milford Sound, Real Journeys employees check and maintain stoat and rat trap lines and monitor local bird populations.
- Every year, passengers on Real Journeys' boats in Doubtful Sound contribute more than \$50,000 to the Les Hutchins Conservation Foundation via a \$1 passenger levy. This is a simple but very effective mechanism for raising money for conservation projects throughout the Fiordland region. Sponsored projects include dolphin research, protection programmes for endangered birds, building and maintenance of walking tracks and interpretation signage, outdoor education camps and wilding pine eradication.
- During the 5–7-day cruises, onboard auctions raise funds for local conservation projects. Items such as sand from a local beach are packaged nicely and auctioned to guests. One project that benefited from such fund-raising was the 2008 transfer of the little spotted kiwi to a predator-free island home in Fiordland. This was the first time the species had been seen in Fiordland for 100 years.
- Real Journeys contributes approximately \$10,000 per annum toward the whio/blue duck recovery programme undertaken by the Department of Conservation. Whio numbers have been steadily declining in Fiordland due to stoat predation. The programme works through egg recovery, chick rearing and re-release of adults to boost whio populations in areas where there is sustained stoat control.
- Real Journeys has contributed \$40,000 over the past 5 years to assist the Department of Conservation's study of the rare Stewart Island harlequin gecko. A further \$4000 2-year sponsorship agreement has recently been confirmed.
- \$10 from the ticket price of every Te Anau Glowworm Caves excursion (booked through the Department of Conservation's Kepler Track online booking system) goes to the Department's research programme.

⁹ Les Carlisle in Buckley, R.; Pickering, C.; Weaver, D.B. (Eds) (2003) Nature-based tourism, environment and land management. Eco-tourism series No. 1. CABI Publishing, Wallingford, UK.

- In the 2009/2010 summer, \$5 from each booking for Stewart Island Guided Walks was donated to the Stewart Island/Rakiura Community Environment Trust. The trust carries out extensive rat and possum trapping to help protect the island's native birdlife (including the titi/Sooty shearwater population).
- In 2009, Real Journeys helped the Department of Conservation transfer 20 endangered pateke/brown teal from Queenstown to Milford by chartered plane. In March 2010, another 40 birds were transferred.
- When a coastal clean-up is required, Real Journeys provide the Milford Wanderer as a floating base for accommodation, meals and logistical support¹⁰.

Real Journeys staff maintain a network of stoat traps protecting Fiordland Crested Penguins.
Photo: Real Journeys.



Case study: Wilderness Safaris Conservation and Community work

The Wilderness Wildlife Trust is an independent entity set up by Wilderness Safaris that supports wildlife management, research and education projects throughout southern Africa. A portion of each guest's fare is allocated to the Trust, and 100% of these funds go to trust-approved projects. An example of the Trust's work involves the reintroduction of rhinoceros to the Okavango Delta in Botswana.

In 2001, Wilderness Safaris, together with the Department of Wildlife and National Parks in Botswana, initiated a programme that has resulted in more than 32 white rhinoceros being released in the Okavango Delta. The first group of four arrived at Mombo in November 2001. Wilderness Safaris purchased the first three rhinoceros, financed the construction of bomas (shelters to contain the animals), much of the transport and most of the monitoring costs. A further 22 white rhinoceros arrived as a result of an innovative 'rhino-for-roan' swap between South Africa and Botswana (roan are antelopes). Despite challenges and setbacks—poachers killed two rhinoceros in October 2003—the project team continued to work hard. A week after the crime, security was upgraded, the poachers were caught and three new animals released, sending a powerful message that the rhinoceros have returned! The ultimate accolade, though, has come from the rhinoceros themselves. Since August 2004, no less than 11 white rhinoceros calves have been born in the wild, all to mothers released in the programme. The white rhinoceros population in the Delta is now more than 38.¹¹ Following this success, in October 2003, four black rhinoceros—two males and two females—were also released into the Okavango Delta, making their classification as 'locally extinct' redundant.

¹⁰ Real Journeys (accessed February 2013) www.realjourneys.co.nz/en/about-us/conservation/

¹¹ Wilderness Wildlife Trust (accessed February 2013) www.wildernesstrust.com/projects/current-projects/botswana-rhino-relocation-and-reintroduction/

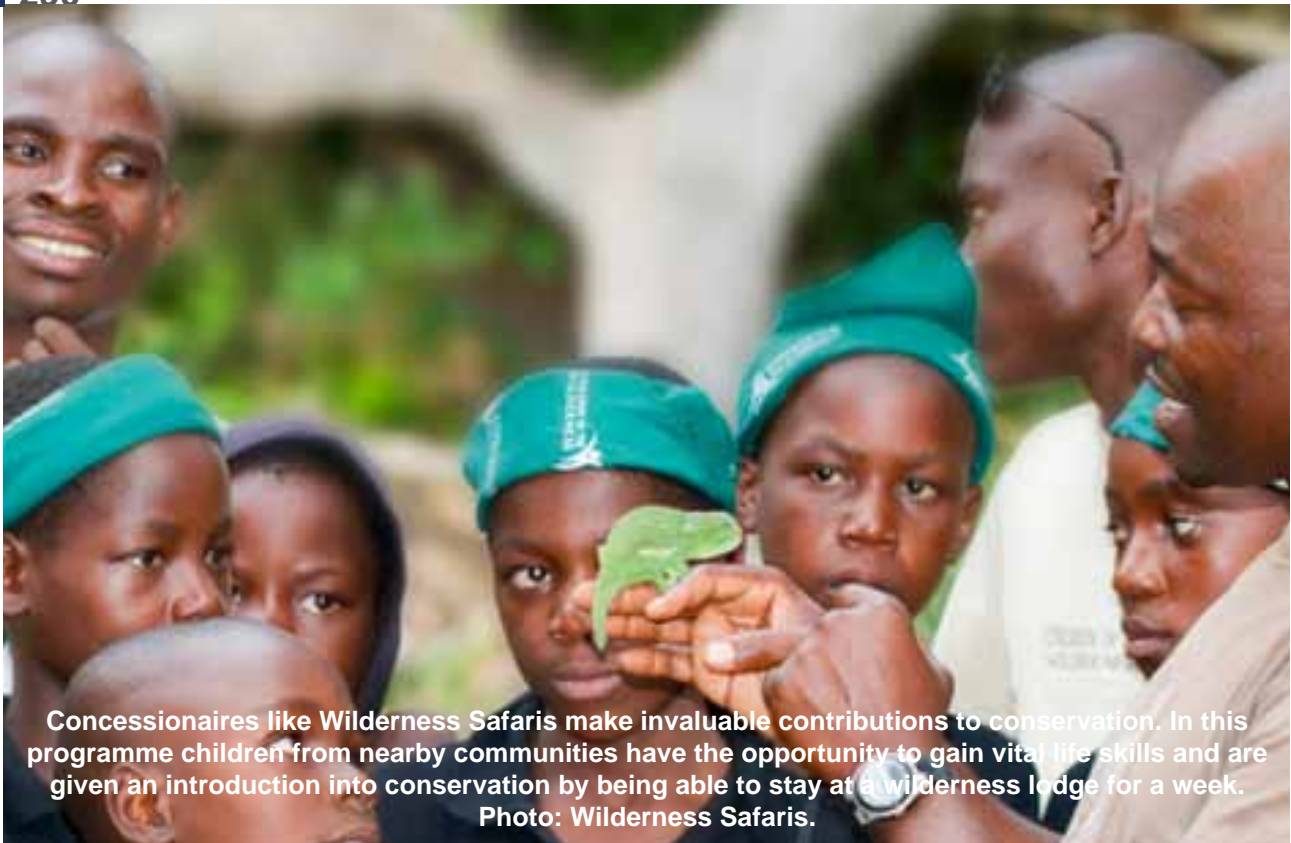
These conservation efforts are also good for business, since guests to Wilderness Safaris' camps in the area now have the privilege of encountering rhinoceros while out on game drives.

Wilderness Safaris also have an outstanding social programme called 'Children in the Wilderness'. This programme aims for sustainable conservation through leadership development of rural children in Africa, spurred by the belief that for conservation to be successful long-term, rural children need to know about and understand its importance and relevance to their lives. 'Children in the Wilderness' is a life skills programme that focuses on the next generation of decision makers. It works by Wilderness Safaris closing a camp for a few days each year, during which time 16–30 pre-selected children between the ages of 10 and 17 from neighbouring schools and communities are hosted in the camp. The Camp Director, with a full staff complement of volunteers and mentors, runs an educational and fun-filled programme. Since 2001, 4500 children have been hosted in Wilderness camps in seven countries. The programme is so successful that it has been able to attract a range of other sponsors.



Concessionaires like Wilderness Safaris make invaluable contributions to conservation. In this programme children from nearby communities have the opportunity to gain vital life skills and are given an introduction into conservation by being able to stay at a wilderness lodge for a week.
Photo: Wilderness Safaris.

¹² Children in the Wilderness (accessed February 2013) www.childreninthewilderness.com



Concessionaires like Wilderness Safaris make invaluable contributions to conservation. In this programme children from nearby communities have the opportunity to gain vital life skills and are given an introduction into conservation by being able to stay at a wilderness lodge for a week. Photo: Wilderness Safaris.

Encouraging conservation outcomes

To encourage best practice concession operations, protected area managers should not hesitate to promote case studies of the type of tourism they do want to see in their protected areas. Presentations and other information can be provided at tourism industry trade shows and conferences, to the media and even within the protected area agencies' own corporate and web material. Concession operators and the industry will often welcome a proactive stance from a protected area agency that supports sustainable and mutually beneficial tourism. Managers should also not be afraid to work directly with local concessionaires to build positive working relationships, based on mutual respect and an understanding of each other's business. Experience suggests that operators are keen to be involved and there is nothing to lose by asking them if they would like to help out with some local conservation initiatives.

As a protected area manager, how can I encourage our concessionaires to be engaged in conservation? This is a question Department of

Conservation (DOC) managers in New Zealand wanted to explore further. They wanted to recognize and encourage tourism operators to actively engage in conservation activities. Working together with the New Zealand Tourism Industry Association (who organises and runs the industries tourism awards), DOC decided to sponsor and judge the 'Conservation in Action' special award. In sponsoring this award, DOC has objectives in the following four areas:

- Relationships—Sponsorship of the award is a tangible means of cementing DOC's relationships with the national tourism agencies. Perhaps more importantly, operators throughout the country will see that DOC supports, is involved with and cares about how tourism develops in New Zealand.
- Leadership—with this award DOC highlights the type of tourism that is beneficial and symbiotic with conservation in New Zealand and sends this message clearly to the industry.
- Conservation—Targeting the award toward conservation performance encourages greater involvement and support for conservation from New Zealand's second largest industry, in a manner that is entirely consistent with DOC's own mandate.

- Interpretation—Concessionaires offer DOC a very significant advocacy opportunity, and DOC's involvement, in return, assists concession operators to offer high-quality experiences to both domestic and overseas visitors. The award fosters and encourages operators to deliver creative and effective conservation messages.

To win, operators needed to demonstrate that they are undertaking real conservation work and not just talking about it. They also have to have excellent interpretation on conservation-related issues. The first award, in 2007, had six applications and was won by Tutukaka Dive. Amongst other activities, this company operates dive tours to the Poor Knights Islands (in the north of New Zealand) and was instrumental in the establishment of a marine reserve around the islands. The company directors have also held positions on conservation boards (these are statutory bodies that provide advice to DOC). Tutukaka Dive also runs dive, conservation and education programmes free of charge to local school pupils.

Another mechanism often used to encourage concession operators to participate in conservation is industry accreditation. However, research over the years has found that accreditation schemes are not always well aligned with the aims of the protected area or even the operator¹³. As a protected area agency manager, you need to be cautious if you are considering requiring concessionaires to use a third party accreditation scheme. There are many of these: the international ISO 14000 environmental management series¹⁴, Australia's Ecoguide¹⁵, Qualmark¹⁶ in New Zealand, Green Globe¹⁷ and the Namibian eco award series¹⁸. All of them require considerable effort and cost and not all result in improved conservation outcomes. Protected area agencies may find it better to work directly with concessionaires on conservation programmes.

A third means of encouraging concessionaires to participate in conservation is via the competitive

award process for concession opportunities. Tenders in Namibia were specifically designed to encourage and recognize operators who go the extra mile in working with local communities and who produce conservation outcomes. Essentially, these two issues become criteria that you score and tender applications against. For more on this topic, refer to Chapter Five.

The economics of concessions

“Today protected areas are increasingly also expected to deliver a wide range of social and economic benefits... However if we do not understand and publicize the full range of public benefits from protected areas we risk not only reducing the chances of new protected areas being established but even seeing some areas being degazetted and their values lost.”¹⁹

Protected area agency managers rarely have all the resources they need to fully manage their protected area networks or to address the range of threats and challenges they face. This has been recognized as a major impediment to the successful implementation of the Convention on Biological Diversity²⁰. Protected areas need to justify themselves to communities and political leaders and biodiversity conservation alone is no longer a sufficient reason for national governments to maintain large tracts of land as parks²¹. Protected areas do provide a wide range of benefits, but often these are underestimated and poorly articulated. The Parks Forum's 'The Value of Parks'²² describes many of these benefits clearly. Simply put, benefits from conservation can include:

- Cultural benefits, such as contributing to our own identity and spirituality
- Ecological benefits, protecting biodiversity, landscapes and ecological processes
- Health benefits, including our mental and physical wellbeing
- Economic benefits to local, regional and national economies from recreation and tourism

¹³ Genter, S.; Beckwith, J.A.; Annandale, D. (2007) Licensing nature tourism operators in Western Australia: business impediments and recommendations. CRC for Sustainable Tourism, Australia.

¹⁴ www.iso.org/iso/home/standards.htm

¹⁵ www.ecotourism.org.au/ecoguide.asp

¹⁶ www.qualmark.co.nz

¹⁷ www.greenglobe.com

¹⁸ www.ecoawards-namibia.org/ecoawards.php

¹⁹ Stolton, S.; Dudley, N. (2010) Arguments for protected areas: multiple benefits for conservation and use. Earthscan, London. P. 3.

²⁰ IUCN (2006) Sustainable financing of protected areas: a global review of challenges and options.

²¹ Stolton, S.; Dudley, N. (2010) Arguments for protected areas: multiple benefits for conservation and use. Earthscan, London.

²² Parks Forum (2008) The value of parks. Melbourne, Australia.

industries based around nature conservation and ecosystem services such as storing carbon, providing water, helping to maintain clean air and supporting many primary industries (pollination).

All protected areas contribute, in some way, to the economy. Internationally, all services provided by wildlife refuges in the USA have been valued at US\$27 billion per annum²³ and the current and potential benefits from Peru's protected area system have been valued at US\$1 billion annually²⁴.

Table 12.1 shows the economic contributions to the US national economy of National Park Service (NPS) visitor spending²⁵. In 2013, NPS visitors spent a total of US\$14.6 billion in local gateway communities while visiting NPS lands. These expenditures directly supported over 143 thousand jobs, US\$4.2 billion in labor income, US\$6.9 billion in value added, and \$11.2 billion in output in the national economy. The secondary effects of visitor spending supported an additional 94 thousand jobs, US\$5.0 billion in labor income, US\$8.8 billion in value added, and US\$15.3 billion in output to the national economy. Combined, NPS visitor spending supported a total of 238 thousand jobs, US\$9.2 billion in labor income, US\$15.6 billion in value

added, and US\$26.5 billion in output in the national economy.

Stolton & Dudley (2010) cited a 2002 study which valued the annual goods and services provided from a complete and effective globally protected area network at between \$US4,400 and US\$5,200 billion. However, in 2000 it was estimated that the world spent only US\$6.5 billion on protected area management each year. Because protected areas are often significantly under resourced, the fear is that this underinvestment may lead to a loss in the value of the goods and services that they are able to produce.

Al Morrison, the former chief executive of the Department of Conservation in New Zealand, took the assessment of the value of nature a step further. He has called for a new definition of a 'successful economy', with the environment central to it, and spending on the environment as an investment; rather than an externality or drain on tax payer funds: "we need to put nature in the engine room, make it clear that the economy is a subset of a healthy environment"²⁶.

However, while protected areas contribute to our economies, their core purpose should not be

Table 12.1: Economic contributions to the US national economy of NPS visitor spending.

Sector	Jobs	Labor Income (\$ Millions)	Value Added (\$ Millions)	Output (\$ Millions)
Direct effects				
Hotels, motels and B&Bs	37,988	1,337.7	2,529.3	4,417.7
Camping and other accommodations	3,881	145.3	193.3	354.4
Restaurants and bars	50,019	1,155.3	1,677.3	2,929.9
Grocery and convenience stores	5,014	160.3	216.8	300.1
Gas stations	2,631	97.8	147.9	195.6
Transit and ground transportation services	8,458	386.6	737.3	1,089.1
Other amusement and recreation industries	28,561	715.7	1,027.2	1,501.1
Retail establishments	6,811	198.8	326.0	403.3
Total direct effects	143,363	4,197.5	6,855.1	11,191.2
Secondary effects	94,236	5,039.9	8,768.8	15,307.5
Total effects	237,599	9,238.0	15,624.0	26,498.0

²³ Ingraham, M.; Foster, S. (2008) cited in Solton, S.; Dudley, N. (2010) Arguments for protected areas: multiple benefits for conservation and use. Earthscan, London.

²⁴ SCBD (2008) cited in Solton & Dudley (2010).

²⁵ Thomas, C.C.; Huber, C.; Koontz, L. (2014) 2013 national park visitor spending effects: economic contributions to local communities, states, and the nation. Natural Resource Report NPS/NRSS/EQD/NRR—2014/824. http://www.nature.nps.gov/socialscience/docs/NPSVSE2013_final_nrss.pdf

²⁶ Al Morrison, Director-General, New Zealand Department of Conservation, in The Press, Christchurch, 13 June 2012.

usurped for economic purposes. For example, protected areas are assets for tourism but they are not tourism assets²⁷.

A study of the views of twelve chief executives or senior managers from protected area agencies in Australia and New Zealand showed managers want economic information for a range of purposes including supporting bids for new money, advocating to decision makers and the public the value of protected areas, proving that conservation is good for investment, attracting further investment, validating decisions and changing their own organizational culture. The information needs to address a range of audiences, including government ministers, local body councillors, treasury officials, local communities, media, the private sector and staff. It was noted that any economic information produced should be robust and satisfy finance ministry audiences so that it can be used without being discredited²⁸.

One of the most tangible ways to demonstrate how protected areas can contribute to local, regional and national economies directly is through concessions. Because these are existing, real businesses operating inside protected areas and employing staff, it is relatively easy to measure both the financial benefits they provide to the protected area agency and the direct impact they have on local and regional economies. Used well, this information can provide powerful evidence to demonstrate how protected areas contribute to society and our economic well-being and to also counter the argument that once conservation areas are created, they lock away any economic potential. In New Zealand, the economic importance of concession operations in protected areas appears to be recognized by some people:

“Te Anau lives or dies based on its concession operators. Since 1888, people have come to walk the Milford Track. Take it away, you will have nothing left. Even people coming in on a bus will end up with an operator. The community needs them and benefits hugely from them”²⁹.

Not only do DOC tourism concessions in national parks generate considerable amounts of economic activity directly, they have also been found to generate net impacts in their surrounding regions

that are between two thirds and four times as great as the concessions themselves. Using Abel Tasman National Park (ATNP) as an example, Wouters (2010) found that in 2005 there were 38 concessionaires undertaking activities in the park. These activities consisted primarily of single or multi-day guided kayaking, providing water taxi transport and guided walks. Altogether, the concession activities accounted for around 5% of visitation into the park or approximately 8500 visitors. The direct turnover of these concession businesses was calculated to be NZ\$4.6 million, and they employed 53 full time equivalent (FTE) staff. This turnover and employment was shown to create further spending in the area, known as a ‘multiplier effect’. Every dollar generated by ATNP concessions created a further 60 cents of spending, and one concession job generated another 0.40 other jobs in the region, equating to multiplier of 1.6 for turnover and 1.4 for employment. So the direct economic output from concession business turnover went from NZ\$4.6 million to a direct regional impact totalling NZ\$7.5 million. On the employment side, the benefits went from 53 jobs to 73 jobs.

However, the economic impact of the park and the concession activities was found to be larger again. In her study, Wouters (2010) states that concession kayakers in ATNP spent, on average, NZ\$93.50 in the 24 hours prior to kayaking (excluding the cost of the concession if it had been pre-paid). While clients were in the park, they spent, on average, NZ\$186, mostly on the concession or on water transport, with some expenditure on accommodation and food. The opportunity to undertake exciting kayaking activities in the national park also influenced the time that visitors spent in the region. Visitors to ATNP concessions spent 2.37 additional days in the region. If the concession activities had not existed, then visitors would have spent 0.81 fewer days in the park and a further 1.56 fewer days in the region. This finding reinforces the well-known fact that protected areas and the activities they provide are drawcards, creating an economic benefit not just locally but also regionally and nationally as visitors travel to and from the actual destination. Table 12.2 highlights the impact of the activity-based concessions in ATNP on the wider Nelson region.

²⁷ Buckley, R (2009) Parks and Tourism. PLoS Biology 7(6).

²⁸ Cochrane, D.; Thompson, A. (2013) The economic value of parks, a review of information used and needed by the parks industry in Australia and New Zealand. Parks Forum, Melbourne.

²⁹ Cited from Wouters, M. (2010) Socio-economic effects of concession-based tourism in New Zealand’s National Parks. Science for Conservation 309. Department of Conservation, Wellington, NZ. 90 p. <http://www.doc.govt.nz/Documents/science-and-technical/sf-c309entire.pdf>

Table 12.2: Total Impact of concessions on expenditure and employment in the Nelson region 2005.

	Direct (NZ\$ million)	Total (NZ\$ million)	Total employment (FTE)
Impact of concession	4.6	7.5	73
Extended stay in region	3.7	5.1	48
Total impact	8.3	12.6	121

What this example illustrates is that while the concession businesses themselves may be relatively small, the economic benefit from a turnover of NZ\$4.6 million is worth nearly three times more to the region (NZ\$12.6 million) and creating 121 FTE jobs.

This example also highlights that you do not always need a large infrastructure inside a protected area to create significant economic impact. The development of hotels and roads inside Abel Tasman National Park would destroy the park and its visitor experience. Boat-based transport, walking and kayaking activities allow visitors to enjoy the park while most of the tourism infrastructure (such as accommodation, transport hubs and the bases for the tourism concessionaires) is actually based outside the park.

It is also important to understand that economic multipliers vary for each area and often for each type of business. If you want to maximize the local economic impact of the concession business (increase the multiplier effect), then employing local staff and purchasing as many goods and services locally will minimize the money spent (leaked) outside the area or region, and increase the benefit of concession activity to the local area.

The key data in the above study was information relating to the concession businesses' gross turnover and how many FTE staff they employed. Sometimes this information is not easy to obtain, as commercial operators like to closely guard their financial information or only a part of the business operates inside the park. However, since the goal of many concession systems is to contribute to the economic value of protected areas or to a region, these outcomes should be measured. One

protected area agency that collects this information regularly is the NPS. This is a clever initiative and wherever possible should be replicated elsewhere, since it provides regular, up-to-date information on the size, scale and impact of the concession portfolio run by the NPS which can then be used for advocacy purposes. Quoting from the NPS:

"The Commercial Services Program of the National Park Service administers more than 575 concession contracts and 6,000 commercial use authorisations with gross receipts totalling about \$1 billion in concessioners' gross receipts annually. Our concessioners employ over 25,000 hospitality industry people during the peak season; providing services ranging from food and lodging, to white water rafting adventures."³⁰

In Namibia, the Ministry of Environment and Tourism (MET), in conjunction with the UNDP-supported GEF-funded Strengthening the Protected Area Network project used economic data, including concession information, to demonstrate the value of increased investment. Rather than simply assuming that protected areas are valuable because they conserve biodiversity, MET commissioned studies in 2004³¹ and 2010³² to determine the level of contribution parks made to Namibia's economy.

In 2004, the MET Directorate of Parks and Wildlife Management (DPWM) had an operational budget of about N\$46 million (US\$7 million in 2004). An independent economic report clearly demonstrated that the costs of the protected area system were clearly outweighed by the economic benefits it provided (between N\$940 and N\$1,900 million). However, the protected areas system was not meeting its conservation objectives. It

³⁰ Commercial Visitor Services, USNPS, Doing Business in the National Parks <http://www.nps.gov/aboutus/doingbusinesswithus.htm> (accessed February 2013).

³¹ Turpie, J.; Lange, G.M.; Martin, R.; Davies, R.; Barnes, J. (2004) Strengthening Namibia's system of national protected areas: economic analysis and feasibility study for financing. Anchor Environmental Consultants, Windhoek, Namibia.

³² Turpie, J.; Lange, G.M.; Martin, R.; Barnes, J. (2010) The economic value of Namibia's protected area system: a case for increased investment. Ministry of Environment and Tourism, Directorate of Parks and Wildlife, Windhoek, Namibia.



The Wilderness Lodge at Lake Moeraki in New Zealand was established by Dr Gerry McSweeney and Ann Saunders in-part to prove that tourism and conservation were a viable alternative to logging native timber. Photo: Dr Gerry McSweeney

was estimated that the effective management of this system would require some 1500 staff and an annual operational budget of N\$127 million would be needed. The MET realised that by developing its own revenue streams further it could potentially increase third party (non-government revenue) by another N\$52–63 million. This revenue could come from a number of sources but the two most critical sources were park entrance fees and concession revenue: “Tourism concessions potentially provide the greatest new source of finance for the protected area system. Nevertheless, this will also take the longest to realise”.³³

With investment, concession revenue increased from N\$2 million in 2007 to N\$15 million in 2009 and entrance fees went from N\$18.7 million in 2004/05 to N\$46.3 million in 2008/09. At the same time, the government budget for park management grew more than three-fold since, based on the study which showed that investment in park management will have a high internal rate of return. There are still many challenges, but by being proactive with economic information and developing its own revenue streams, MET has been able to convince the Namibian Cabinet that it is a worthwhile investment that will help the government achieve its vision for 2030.

³³ Turpie, J.; Lange, G.M.; Martin, R.; Davies, R.; Barnes, J. (2004) Strengthening Namibia's system of national protected areas, economic analysis and feasibility study for financing. Anchor Environmental Consultants, Windhoek, Namibia. P. vi.

SUMMARY

Conservation needs everyone's support and concessionaires can be natural allies in the fight to preserve biodiversity and natural landscapes. Over-commercialization of protected areas can threaten conservation and recreation values, but well-managed concession operations can produce many positive outcomes that align well with what protected area agencies are trying to achieve. This chapter has presented and discussed two such outcomes. The examples presented in this chapter show how concessionaires can produce significant economic benefits. This counters the argument that protected areas lock up resources and contribute little to the economy. Moreover, the economic impact of protected areas and concessionaires is primarily in rural areas where employment and training opportunities are often scarce.

Concessionaires that operate in protected areas have already made a considerable financial and emotional investment in those areas. It is therefore no surprise that they care about what happens to them. Protected area agency staff can encourage and support concession operators who want to do more for conservation. The key to success here is developing good relationships between these operators and protected area staff. Start the conversation today!

ACTIONS

1. Recognize and promote best practice tourism operations and concessionaires that produce conservation and/or community outcomes. These operators are possibly some of the strongest allies for protected area managers and these sorts of operations should be encouraged.
2. Use 'contributions to conservation' as a selection criterion when awarding concessions.
3. Ask concessionaires or the wider tourism industry to be active advocates for conservation through their own channels, especially when a protected area is threatened or more areas should be protected.
4. Reward best practice concessionaires where possible, even if this is just a special award from the relevant minister—this costs nothing and is worth a lot to the concession operator concerned.
5. Work collaboratively with local concession operators, understand their businesses and help them to understand the challenges of managing the protected area; seek ways to work together for mutual benefit.
6. Collect data on the gross turnover and FTE staff numbers that concessionaires employ. Use this information to demonstrate how the protected area system and the concession system contribute to local, regional and national economies.
7. Commission a study to show how, with further investment, the protected area system can enhance its own financial position and build a positive return on this investment.



(Above) Boats at Pipe Creek in Grand Canyon National Park. Photo: Laura Shearin.

(Below) Concessionaires such as Ngai Tahu Tourism, through their operation at Rainbow Springs in New Zealand go the extra mile helping to raise threatened species like this kiwi chick for release back into the wild. Photo: Ngai Tahu Tourism



Tourism icons like Dune 45 in Namibia attract significant numbers of visitors and commercial operators. At some point crowding will need to be managed so it does not detract from the visitor experience.



This guide has been published for protected area agency staff to boost their ability to develop and manage tourism and other concessions so that they protect the environment and benefit conservation, help to create wider public and political support for protected areas, foster rural development and empowerment and providing business and economic opportunities in and around protected areas.

The development and review of this guide has been driven by people working in the concessions field, all of whom have 'hands-on' practical experience. While many benefits can arise from well-run concession systems, over-commercialization will damage visitor experiences, turning concessions from conservation assets to threats. This must be avoided, so advice is provided on establishing, focusing and improving concession systems, along with tools that can be adapted for use in different situations and a range of informative case studies to provide examples of challenges and how these have been overcome.

No one country runs the perfect concession system and there is no 'one size fits all' solution. Each country or protected area agency must decide for itself what outcomes it wants from its concession processes, then design and refine the functions required to achieve these outcomes.

There are lessons in this publication for everyone involved in concessions. Concession systems in industrialized countries tend to work moderately well—the protected area agencies in these countries have the staff and tools they need and some agencies take the time to review and refine their practices, seeking advice and input from concessionaires and other stakeholders. The challenges for staff in developing countries tend to be larger, as they commonly lack the systems, resources and expertise they need and are sometimes subject to political interference. However, in some of these countries, adaptive, agile and innovative processes are being established and concessions are making real differences to conservation and people's livelihoods.

If protected area agencies want to develop the benefits that can come from concessions and avoid some of the negative consequences, they must understand where they already have strengths and where improvements are needed. To help assess their strengths and weaknesses, agencies should benchmark their practices with those presented in this guide and against other protected area agencies. They will then be able to run effective allocation processes that deliver outcomes that can greatly benefit both conservation and the communities that live in and around protected areas.



Khongoryn Els sand dunes, Gobi Desert Mongolia. Photo: Nomadic Journeys



A traditional makoro ride in the Okavango Delta is one of the numerous activities visitors can do on safari in Botswana. Concessionaires like Wilderness Safaris have had a great deal of experience working with park agencies and local communities. Their product is all about conservation so their goals and objectives are more closely aligned with protected areas. Working with this type of concessionaire won't always be easy, but it will be rewarding. Photo: Dana Allen, Wilderness Safaris.



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