



MERLIN  
OFF-THE-SHELF INSTRUMENT

# Tourism and agriculture activities

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# Executive summary

Low levels of funding for biodiversity conservation and protected area management are a universal concern (UNEP-WCMC and IUCN, 2016). Increasingly, nature protected areas management entities do not have sufficient funds to support optimal conservation and restoration activities, and most governments do not fully fund protected areas. The obvious need to address this significant gap has helped spur the field of conservation finance to develop an ever-increasing list of options for revenue generation.

**Among potential revenue sources, tourism and agriculture activities stand out as two of the most promising endeavours.**

Growing interest in **ecotourism** makes it an essential segment of the market in the tourism industry. Every year, millions of tourists visit protected areas or travel to destinations for nature-based recreation. However, although the protected areas often supply the most crucial part of such recreational experiences, they usually capture a minimal portion of the economic benefits from ecotourism.

The same applies to **agricultural activities** in protected areas. For example, a large part of much land in protected areas could be used for cultivation while still preserving the local biodiversity, but instead, many times these lands are left empty and are wasted without being put to use. Ignorance of these opportunities leads to missing various economic benefits.

The overriding goal of any protected area is the conservation of biodiversity. Where appropriate, tourism can assist protected areas managers in financing activities to achieve this goal. **Under certain conditions, tourism-user fees have the potential to generate significant revenues for conservation.**

With ecotourism increasing in the five continents, and with the wide range of financing opportunities available, **tourism-user fees and agricultural royalties are the conservation finance mechanisms with perhaps the broadest application and highest overall revenue potential worldwide.** The right combination of user fees and royalties often can provide a significant portion of the funds needed for paying the protected areas operating costs.

Through this report, readers will be able to understand how these and other mechanisms work and how they can be implemented for nature projects, including freshwater ecosystems projects.

This report will start by **identifying the potential beneficiaries** of these instruments (primarily restoration managers, and secondly tourism and agriculture activities), then explain **how the instruments work, and finally show opportunities for raising money.**

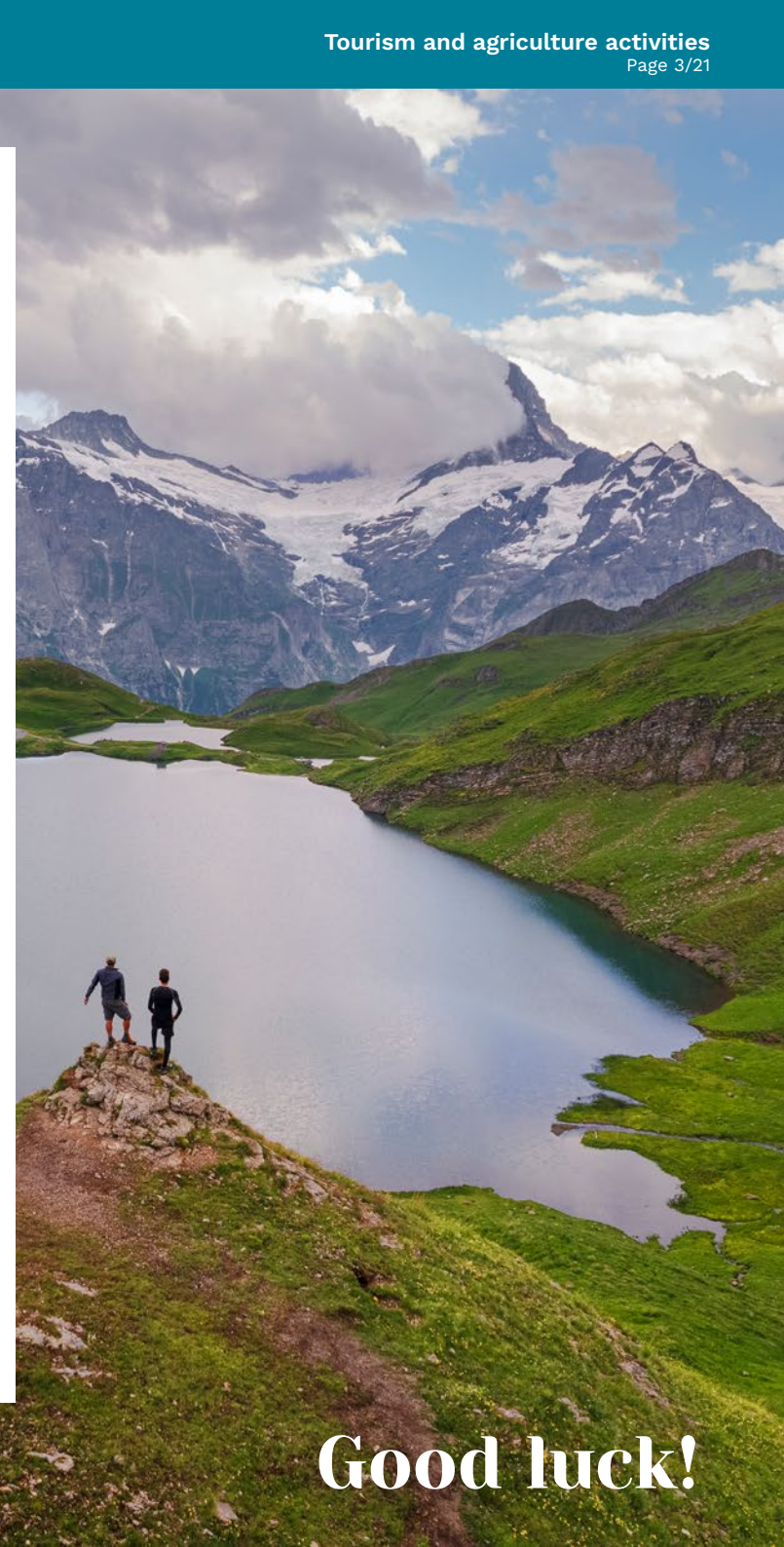
The report will then cover what **prerequisites**, such as laws and policies, are necessary to successfully implement tourism and agriculture activities in nature protected areas.

The following section will give **step-by-step instructions on implementing the instruments, and the expected time needed for each.**

In the last part of this report, the **main players** in the market will be identified, and the **companies that can support implementation** will be listed along with the main **KPIs** (Key Performance Indicators). This report will end with **examples of successful case studies.**

If you have questions about terminology used, please visit the **Glossary** at the end of this report.

We sincerely hope that you find this report interesting and valuable for your nature restoration activities.



**Good luck!**

## Aim of the instrument

This document outlines the increasing need for nature protected areas (PA) to move beyond traditional financing sources to achieve their conservation goals, and describes how tourism and agriculture revenues can be generated in protected areas. It highlights the range of options available, how they work, and the requirements for implementation.

**It emphasises that tourism and agriculture offer two options among various financing mechanisms available to protected area authorities.** Different specific options to generate revenue directly from tourism at a site level are analysed, along with cost-saving initiatives that generate more significant efficiency gains for protected areas, helping reduce their financing needs. The report concludes by detailing best practices for correct implementation.

## Potential beneficiaries

**Nature protected areas are the main beneficiaries** of the types of funding described in this document, through their management entities. These entities are typically managed by governmental staff, but can be NGOs, community-based organisations, or their members. Managers generally seek to maximise proprietary income from user fees, permits, and royalties; funds that can directly support the operating costs of the restoration and management of the nature protected area.

For example, in **the Emscher catchment case study** (MERLIN project CS 11), various groups pay rent/lease for the usage of several facilities inside the protected area. The income is used to finance ongoing operating costs (ancillary costs) and maintenance measures, such as maintenance of the meadows.

Protected areas managers need to ensure that the funding mechanisms and associated services, such as lodging accommodations, are consistent with and supportive of the overall conservation objectives of the area.

On the other hand, **local communities and governments that seek income benefits from these agreements and fees can become beneficiaries.** Local community members provide significant labour for tourism-related businesses and can benefit at least indirectly. Moreover, many local community members will seek to ensure that any business concessions or permit schemes around protected areas require companies to be sensitive to and supportive of their cultural values and traditions.



# How does it work?

These kinds of financing – tourism or agriculture – entail granting rights of use for the protected area in exchange for a given price or percentage of revenue, whether the rights include entry rights, business rights, or cultivation rights, among others.

**In the case of tourism**, many visitor services are provided in protected areas, either directly, such as lodging or equipment rental, or through services that support visitation. The protected area authority must decide each service's level, delivery method, and funding.

Often, the protected area authority's staff provides the service without the need to subcontract for it. This modality implies that the authority functions as a company and that the protected area's facilities and personnel provide services to visitors. The protected area thus operates as a public service.

**In the case of outsourcing**, the protected area contracts a third party to provide the service. When public agencies do not have the knowledge and expertise to provide a service, or do not have the funds or legal authority to do so internally, transferring land rights to other organisations can address resource constraints regarding budget, capacity, or expertise.

**The provision of tourism services in protected areas is a complex professional activity which can be provided through a variety of entities:**

- private for-profit companies
- non-profit organisations
- local community organisations
- government departments/entities
- joint ventures (e.g., public-private, private-community, public-community, or private-community).

However, if fundraising relies exclusively on tourism, it will be of little help in areas rarely visited or with little potential for touristic activities.

**An appropriate site-level revenue mechanism is necessary to ensure that funding opportunities are being exploited.** Consequently, many funding opportunities can be considered, as shown in the table.

Fee Type	Description	Example
<b>Entrance fees</b>	Fees charged to visitors for entrance and access to protected areas.	Fees collected at entry gates.
<b>Concession fees</b>	Charges or shares of revenue paid by businesses operating within PAs, providing services to visitors.	Fees to operate restaurants, hotels, eco-lodge facilities, and souvenir shops.
<b>General user fees</b>	Fees paid by visitors to use facilities within the PA.	Fees for using parking lots, campsites, visitor centres, boats, shelters.
<b>Licenses and permits</b>	Instruments required for private firms (or individuals) to conduct activities on PA property.	Permits for tour operators and guides for scuba/snorkel, kayaking, and sport fishing; mountain climbing/hiking permits; licences for cruise ship visits.
<b>Royalties and sales revenue</b>	Revenues from sales of consumer goods. Fees on recreational equipment.	Fees on recreational equipment, and souvenirs.
<b>Leases</b>	Revenue from renting a given facility or area of the protected area.	Lease of land for mineral exploration.

Let's have a look in more detail at **each of the different types of revenues** that can be generated in protected areas:

### User and Entrance Fees

User fees may be charged for using facilities such as car parks, campsites, visitor centres, mountain huts, or canopy walkways, or for carrying out activities in the protected area such as fishing, hiking or mountain climbing, sailing, or hunting. It is important to encourage tourists to be willing to pay user fees, particularly by showing how the fees are used to support conservation of protected areas.

Entrance fees are primarily designed to increase funding available for the area's conservation activities. However, the pricing of entrance fees can also be a mechanism for facilitating or limiting visitor access. If a PA manager identifies the need to restrict visits because of adverse impacts on the PA, raising the entrance fee is one tool to achieve this objective. In these cases, reducing the number of visitors will reduce the costs for maintenance of those areas as well.

### Concession Fees

Those public-private partnerships deemed as concessions are formal agreements between the protected area authority and the private sector. The private partner can deliver a particular tourism product or service at greater quality and efficiency, allowing protected area managers to focus on their core functions. The "private sector" may be a commercial business, an NGO, or a community organisation. Concessions are one type of public-private partnership to engage the private sector in protected area conservation. For example, the National Park Service (USA) chose private companies as Glacier National Park concessionaires. These companies offer services to Glacier National Park guests: Glacier Guides, Glacier National Park Lodges, Glacier Park Boat Company, Glacier Park Collection, Swan Mountain Outfitters, Sun Tours, Waterton Shoreline Cruise Company.

### Licences and Permits

These are usually charges levied to allow tourists or businesses to participate in a particular activity that requires special monitoring and management because (i) it is infrequent, (ii) demand for the activity needs to be managed, and (iii) the activity needs to be controlled to minimise damage to the resource. Examples of this type of activity include camping, sport fishing, climbing, boating, fishing from boats, hiking, and sightseeing cruises. It is common for some of these activities to be limited to reduce human impact and provide visitors with unique experiences such as solitude. Guides and tour operators may need a special permit to work in the area, which usually costs a fee. Trophy hunting permits, although controversial, can be another source of income.

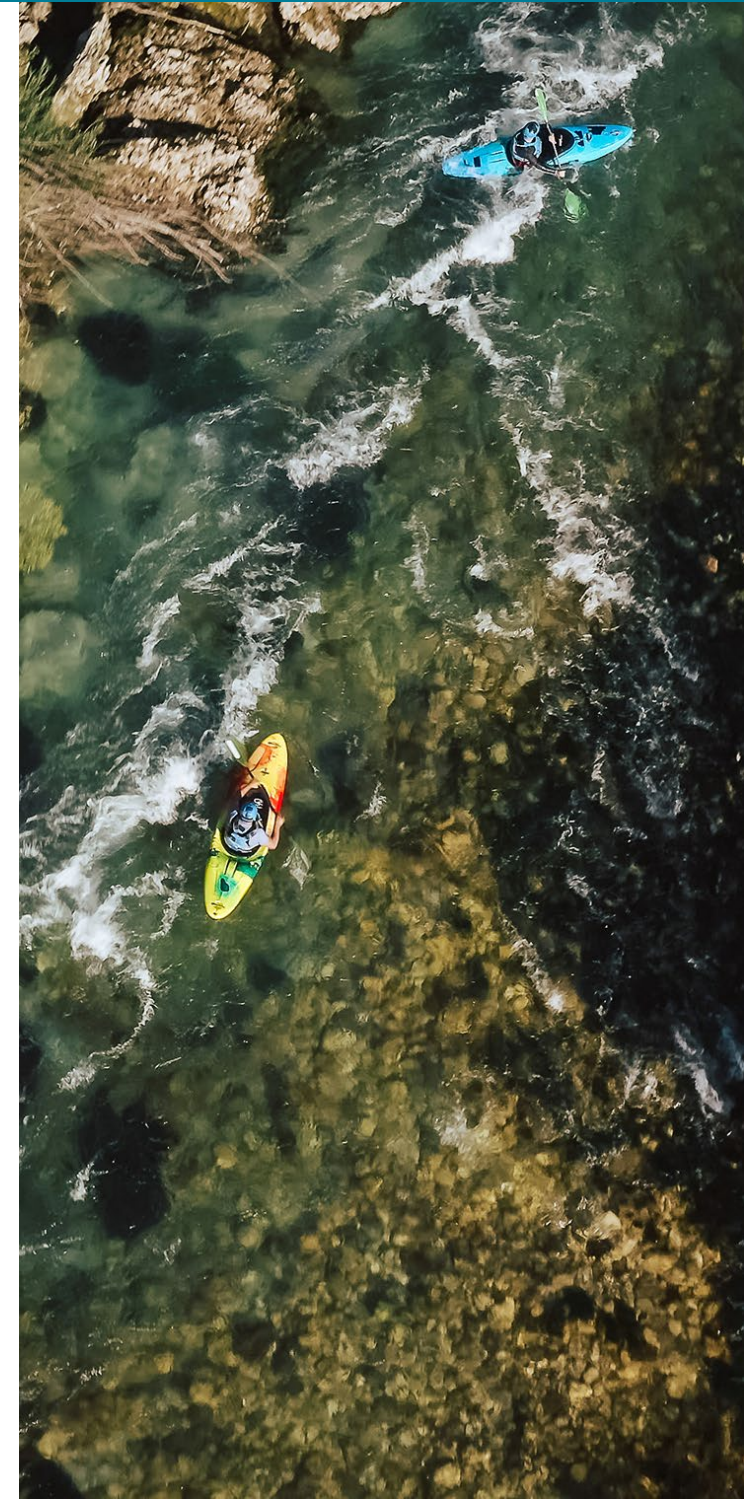
### Royalties and sales revenue

In many cases, third parties may sell souvenirs, food, and other products to visitors within the site. A fixed or percentage-based royalty on such sales presents another potential source of income for conservation. In some cases the products may be sold outside of the protected area, but using a licensed protected area official brand.

### Leasing

Leases can also be used to generate revenue. A lease allows an individual or group to use the land or sea for an agreed-upon fee and a time-limited period. Some protected areas have been leased for forestry activities, grazing, and agriculture. For example, Krka National Park (Croatia) management regularly communicates with local self-government units and tries to encourage the local population to engage in agriculture in order to preserve important habitats (meadows and pastures). They have concluded five agreements with local government in which local residents use areas in the Park for grazing by indigenous breeds of livestock and own any products supported by the grazing.

However extreme care must be taken to ensure that income generation of this kind is compatible with the core conservation objectives. Other, less damaging uses that may be leased include gathering of fallen trees, ornamental plants, seeds, and fruits.



## Pros and cons

As with all activities, there are pros and cons to consider.

### ✔ Advantages of tourism and agriculture activities (Pros)

- Additional tourism products and services
- Increased funding
- Increased tourism demand
- Increased awareness and knowledge
- Enables focus on the core function
- Generation of important socio-economic linkages
- Increased employment
- Increased local multipliers

### ✘ Drawbacks of tourism and agriculture activities (Cons)

- Skills and competency issues
- Time constraints
- Infrastructure problems
- Non-compliance and threats to sustainability
- The political power of concessionaires
- Tourism demand problems
- Governance issues
- Legal issues
- Financial constraints
- Fares and timeframe
- Mandatory empowerment requirements
- Size and location of concession lands

## Prerequisites to implement

Most governments have laws and policies that regulate the purchase of services from third parties. Protected area authorities should have staff well-versed on national laws and policies on outsourcing that affect the choice of contract type, management, and compliance monitoring.

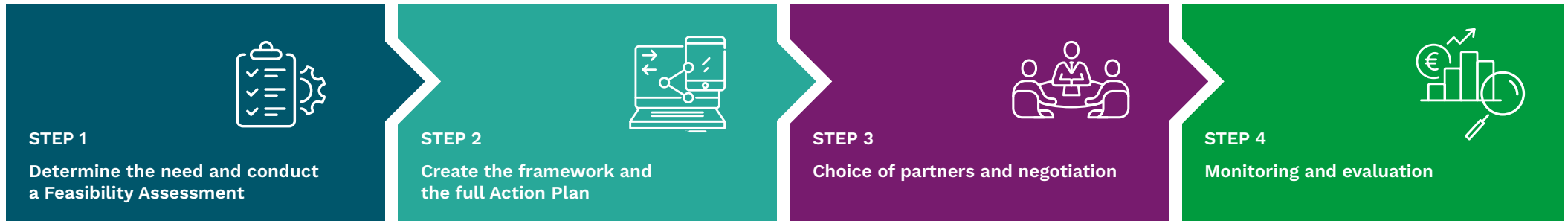
In addition, there are also laws concerning the governance of protected areas, and laws concerning land tenure and security. In some countries, legislation stipulates which tourism activities are allowed in a particular type of protected area and which activities are prohibited. For example, in some cases, night safaris may be allowed in certain types of protected areas but not in others.

### Tourism activities inside protected areas should:

- **maintain a balance** between tourism and conservation objectives, as specified in the protected area management plan
- **encourage sufficient tourism flows** to ensure financial viability
- **set limits** on what changes associated with tourism are acceptable to make
- establish a framework to **ensure that these limits are applied** fairly and effectively
- create institutional and financial structures to **manage tourism revenues**.



# How to implement



## STEP 1 – Determine the need and conduct a Feasibility Assessment

**Before implementing any financing method, it is necessary to do a feasibility assessment.** Protected area authorities put rights, permits, and royalties up for sale when they do not have sufficient expertise, staff resources, equipment, and organisational capacity to carry out such services. Before implementing this method, **it should be considered whether offering the services internally or outsourcing them is more beneficial.**

To determine this, a preliminary study or feasibility assessment is carried out. The preliminary study phase determines whether tourism partnerships and concessions are the most appropriate approach for a specific protected area, and it allows the protected area authority to develop a strategic plan as a basis. At this stage, current tourist profiles are studied through existing data and tourist surveys, the current visitation rate is estimated, and future trends are projected. Indeed, tourism and agricultural situational analysis should be conducted through a literature review and consultations with identified stakeholders in the authorities and the private sector. **This analysis should include an assessment of supply and demand in which baseline values are established:**

**Demand:** For the case of tourism, information is collected from national and destination area statistics

on numbers of arrivals, source markets, demographics, length of stay, expenditure, numbers of guests, types of accommodation used, destinations visited, activities undertaken, trends, and authority development objectives. There is no better approach to evaluate the potential of a specific area than to ask potential visitors/guests/clients if they would be interested in paying X euros to do activity Y in the protected area.

**Supply:** Information on existing and competing accommodations (quantity, type, capacity, quality, rates), tour operations and guides, restaurants, transport, information, new tourism products planned, attractions, destinations, and competing products are reviewed.

Additionally, the impact capacity at the site is estimated, existing ecotourism management plans and marketing plans are assessed, and elements for improving such plans are identified. This is also the time to assess implementation issues, such as funds management and distribution, participation in oversight bodies, etc. Naturally, the existing capacity to accommodate future visitors in adjacent areas of the protected area should be taken into consideration.

## STEP 2 – Create the framework and the full Action Plan

If the potential outsourcing/concession/royalties of tourism and agriculture services are deemed to be feasible, **the protected area manager meets with**

**government officials, legal counsel, and key stakeholder groups to agree on the framework.** During the meeting, many issues must be discussed, including the types of rights to be sold, any need for changes to the existing legal/regulatory framework, the key principles for implementing the program, and allocation of income.<sup>1</sup>

The framework leads to creating the full action plan, including the structure to receive the funding.

Firstly, **key areas of action from which funding could be obtained are identified.** These may involve significant services to be provided; allowed activities; fee rates and collection methods; necessary equipment, supplies, personnel, and installation efforts; administration policies; control systems; and evaluation methods.

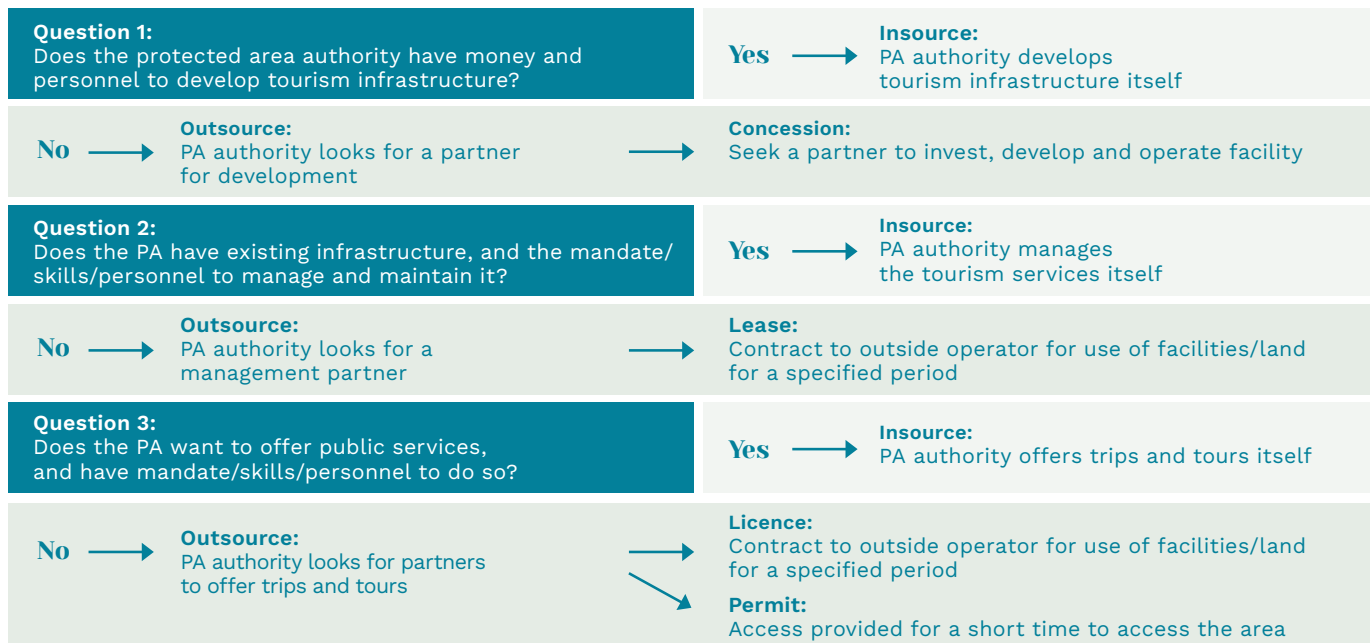
**More importantly, the area in which those sold services will be executed must be selected. For that, the criteria for concession site selection must be established.** These criteria may include location and characteristics (e.g., access, existing infrastructure, and current tourism), size of the area, natural and cultural features, environmental sensitivity to tourism, social issues (e.g., local communities), and land ownership and institutional issues (e.g., the capacity of the protected area management to support concessionaires). During site visits, these criteria should be used to score and describe the categories, compare options, and apply them to determine the most viable sites.

<sup>1</sup> Brenes, Esteban. (2004). Sustainable Finance of Protected Areas: Tourism Based User Fees Conservation Finance Guide, Conservation Finance Alliance. SSRN Electronic Journal. doi: 10.2139/ssrn.2013199.

Once the area that will be offered is chosen, the type of partnership to be used to secure the necessary funding is determined. As explained in the previous section, various outsourcing options exist, including concessions, leases, licences, and permits. In protected area management, several options are used, sometimes even within a single contract for a single service. For example, a guide company may need a licence to operate its business and a lease to work in a building owned by the protected area. It should be noted that many countries have specialised legal instruments affecting the procedures for outsourcing tourism activities.

Protected area authorities must decide which tourism services they will operate and which service delivery options they will use. The figure<sup>2</sup> below may help with this decision-making process and understanding each option's advantages and disadvantages.

Flow diagram for deciding the type of legal instrument to use



It should be borne in mind that the main purpose of the protected area is to maintain and/or restore biodiversity. Therefore, managers must ensure that these tourism and agricultural activities will cause minimal damage. They should follow the principles of sustainable tourism and agriculture, which refer to the environmental, economic, and socio-cultural aspects of tourism and agricultural development; it is necessary to find an appropriate balance between these dimensions to ensure lasting sustainability. **It must therefore be ensured that the rights sold:**

- **make optimal use of environmental resources**, which are a key element of service development, maintaining essential ecological processes and helping to conserve natural heritage and biological diversity;
- **respect the socio-cultural authenticity** of host communities, preserve their traditional values and their built and living cultural heritage, and contribute to intercultural understanding and tolerance;

→ **ensure sustainable, financially viable operations**, and provide socio-economic benefits for all stakeholders on an equitable basis, including jobs and stable income-generating opportunities and social services for host communities, while contributing to poverty alleviation.

**Thus, the Action Plan should cover all of these topics:**

- **Goals and objectives of the partnership.**
- **Products and services** to be offered, ensuring they are compatible with the environmental and social objectives of the protected area.
- **The partnership model** (concession, lease, royalty) with roles and responsibilities of the authority and partner and relevant institutional arrangements.
- **The business model** (e.g., private sector, joint venture, community-owned enterprise).
- **Development impact**, regarding income generated, jobs created, investment mobilised, natural resources protected, skills development, and local economic development.
- **Sustainability plan**, including direct and indirect socio-economic and cultural linkages with local communities, biodiversity conservation, and environmental management.
- **The project timeline**, including any phased approach to opportunity disclosure and each concession's life cycle, indicating the procurement process, duration, and exit.
- **Marketing plan**, including product, price, promotion, and location, as well as the roles of the various agencies.
- **Financial plan and projections**, including the full spectrum of scenarios (best, average, and worst case).
- **Monitoring and evaluation plan.**

<sup>2</sup> Spenceley, A., Snyman, S., & Eagles, P. (2017). Guidelines for tourism partnerships and concessions for protected areas: Generating sustainable revenues for conservation and development. Report to the Secretariat of the Convention on Biological Diversity and IUCN. <https://www.cbd.int/tourism/doc/tourism-partnerships-protected-areas-print.pdf>

### STEP 3 – Choice of partners and negotiation

To find potential partners, it is necessary to launch a call for partners, requesting bids outlining acceptable fee rates, and requesting information about their operations such as energy sources used, waste management systems, environmental interpretation programs, number of visitors to be serviced, use of local labour, supplies, and natural resources. These advertisement methods may include specific launch events or participation in trade fairs or international trade shows, as well as the production of promotional materials, e.g., brochures or flyers.

Additionally, contacting potential investors and operating companies with experience and interest in new sustainable tourism investments is helpful. Consider scouting trips to other protected areas, meetings at local and international trade fairs, and one-on-one meetings to approach them. Moreover, a database of existing and potential investors (including from the private sector, NGOs, and communities) should be established. Discuss proposed concession sites with these existing and potential investors. Then, determine whether the proposed protected areas, locations, and product types are of interest to investors; what sites and destinations already exist that would compete with those offered; how likely investors are to apply for a concession; what they would invest; whether infrastructure levels are appropriate; and what challenges and risks are foreseen.

For the selection process, potential partners bid to get the rights. Using this method, interested parties submit applications to site administration, covering requested information. After this, site administration reviews applications and selects concessionaires based on the selection criteria and their conservation activities. If a winner is selected, the partnership agreement is negotiated, and the contract is written down. **The agreement contract should include at least these clauses:**

- **Nature and scope of the concession rights** (e.g., geographical area, works, services, level of exclusivity, duration of contract)
- **Nature of property interests of parties in the concession assets** (e.g., right to use an area or infrastructure)
- **Maintenance of concession assets**
- **Fees payable** (including the process for adjustments and reviews)
- **Performance guarantees** (e.g., service levels, occupancies)
- **Monitoring and evaluation**, with Key Performance Indicators and template contract compliance checklists
- **Environmental impacts** during construction, operation, and commissioning
- **Socio-economic contributions** (e.g., local equity, employment, procurement, and social projects)
- **Breach and cancellation processes**

Finally, the feasibility study can be used to set the price of the concession and permits that will be sold. The price could be decided by supply-based tariffs, market-based tariffs, revenue-based tariffs, unit-based tariffs, fixed tariffs, or combinations of all of these.

If, for example, a royalty for a restaurant in the protected area were sold, the trademark royalty rate for the restaurants typically would range between 1% and 4% of revenues, the median royalty rate being 2%, the rate being a function of both profitability and business size.

### STEP 4 – Monitoring and evaluation

The protected area management must monitor and evaluate all the agreements and ensure they are successfully enforced. However, since many contracts are long and complex, their monitoring is usually complicated. As a result, the protected area management should have a realistic idea of the cost and difficulty involved in monitoring contract compliance.

Nevertheless, all contracts should be continuously monitored to ensure compliance, which implies that it is essential that the protected area management designates enough qualified staff to undertake all contract monitoring tasks.

In addition, the protected area management can develop a compliance checklist that includes indicators related to contract conditions, such as sustainability and financial indicators.



# Expected time to implement

**The time required to implement these financing mechanisms is long.** Just the time needed to prepare the agreement, including the feasibility assessment, the application of potential partners, and the negotiation of the agreement, can take months. Then, since the sale of concessions or royalties is long-term, these agreements may last for many years.

**Starting the feasibility assessment that analyses the need for funding and the viability of the projects may take between 60 and 90 days.** In addition, if the feasibility study is accepted, creating the action plan could last for another few weeks or months.

**After establishing the plan, finding the correct partners can last from 1 to 6 months.** Initially, contacting known potential partners and advertising the offering could take months. If the response from the first potential investors is not positive, the operation can be postponed or adjusted. It is wise to contact potential partners before making public the option to bid for the concessions and other rights, to assess if the conditions are acceptable to the market.

The process of reaching an agreement with the selected partners involves the legal documentation (including contracts that establish the conditions for the issuer, bank, and investors participating in the operation) that is necessary to set the agreement. It is a slow, tedious process, but support is usually provided by outside specialised attorneys. **Finally, as said, these agreements tends to be very long.**

**The length of the rights to be offered should be based on the level of risk the partner would assume.** For example, longer concessions should be offered for larger capital investments, such as those involving accommodation. In some cases, concessionaires that perform well may be given a preferential option for an additional concession term.

An indicative duration of the agreements is shown below:

Concession	Lease	Licence	Permit	Royalty
Between 10 and 40 years	Between 5 and 30 years	Up to 10 years	Up to 10 years	5 to 10 years



# Companies that can support the implementation

During this process, to manage the complexity of outsourcing, qualified and well-skilled staff are required. The protected area authority needs sufficient capacity and skills to manage and coordinate various processes related to the partnership.<sup>1</sup> This means that **external specialists are advisable to support specific phases of the contracting process, such as legal specialists or marketing and licensing consultancies.** The authority also needs to establish clear contractual agreements with the entities contracted.

## Consultancy companies

Given the complexity of the financing process for this method, using a consultancy firm specialised in sustainable projects in agriculture or tourism would be highly recommended. The consultancy can support the feasibility assessment, as their experience with other projects would give them a detailed understanding of all the benefits and disadvantages of outsourcing the services by the protected area. Thus, the consultant could determine the best option after a small study. Furthermore, based on this study, they could also set up a plan, deciding between all the possibilities (such as royalties, permits, and concessions) which would be the best option.

Some options of consulting companies could include:

<b>License Consulting</b>	<a href="https://licenseconsulting.com/es/">https://licenseconsulting.com/es/</a>
<b>STIPA Environmental Consulting</b>	<a href="http://stipa-estudiosambientales.es/">http://stipa-estudiosambientales.es/</a>
<b>The Conservation Finance Alliance</b>	<a href="https://www.conservationfinancealliance.org/">https://www.conservationfinancealliance.org/</a>

## Lawyers

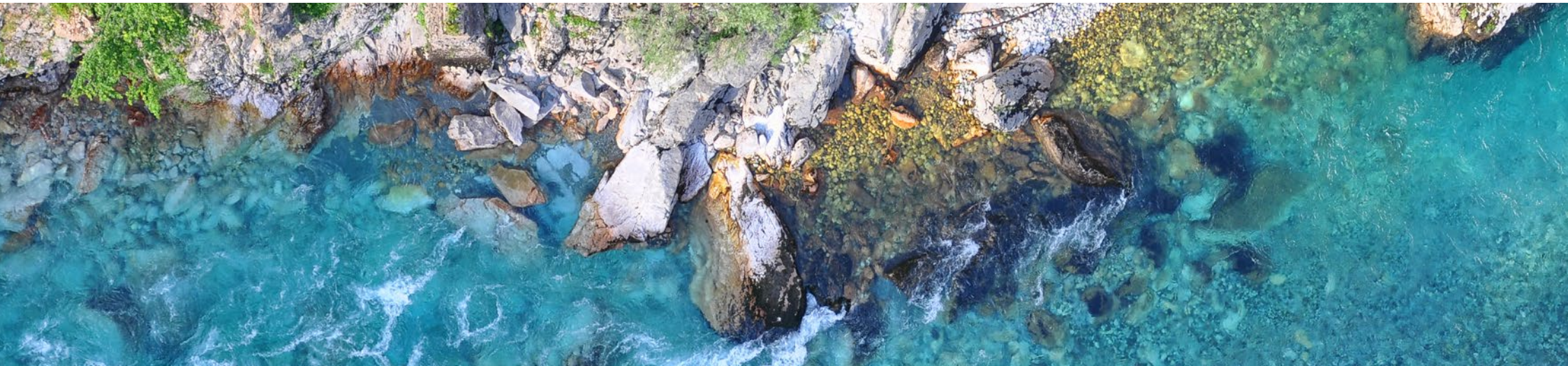
As mentioned above, concessions, permits, and licensing agreements are usually of very long duration. Therefore, the contracts are very detailed and complicated, with many clauses added, which makes the contracts challenging to understand and interpret. For this reason, it is necessary to hire a specialised lawyer to act in the interests of the protected area.

## Marketing agencies

There will be many possible candidates for any call for applications, but those candidates must be aware of the opportunity. For this reason, it is advisable to hire a marketing agency to create a targeted campaign for potential interested parties. This marketing agency would be in charge of website, booklet, and other advertising materials.

It may be that a marketing agency with experience can contact companies it has worked with on similar projects, reducing marketing expenditure and reducing the time it takes to find the right partners.

<sup>1</sup> Leung, Y.-F., Spenceley, A., Hvenegaard, G., & Buckley, R., in Groves, C. (ed.) (2018). Tourism and visitor management in protected areas: Guidelines for sustainability. Best Practice Protected Area Guidelines Series, no. 27. IUCN. <https://doi.org/10.2305/IUCN.CH.2018.PAG.27.en>



# Costs

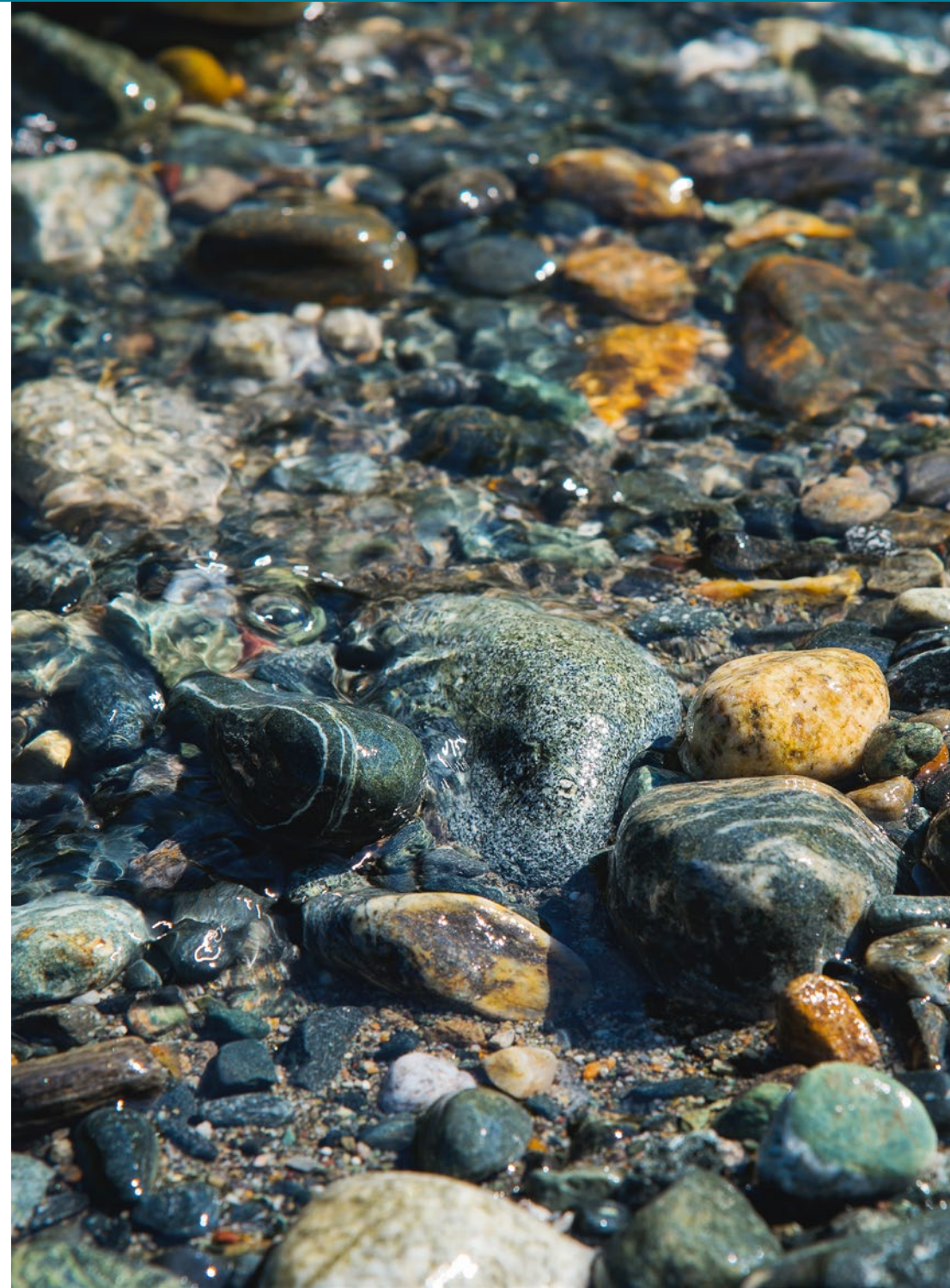
The following figure<sup>1</sup> illustrates the costs associated with the different stages of the funding process:

Costs for the protected area	Phase of implementing process			
	Feasibility assesment	Framework and plan	Negotiation	Monitoring
Project officer and staff	✓	✓	✓	✓
Consultants	✓	✓	✓	
Lawyer			✓	✓
Marketing agency			✓	
Advertising			✓	
Supporting infrastructure/upgrades		✓		✓
Conservation management obligations				✓
Monitoring and evaluation processes				✓

Cost	Amount
Marketing agency and advertising <sup>2</sup>	Ideally, between 1% and 5% of the total budget
Consulting agency fees	It varies tremendously, but its costs can vary between 0,5% of the total funding up to 5%
Attorney fees	Commercial lawyers' fees usually range from €100 to €1,000 per hour, but it is also possible to find prices ranging from less than €50 to figures over €2,500 or even €3,000.  The final lawyer's costs can represent 1% to 3% of the fundraising.

<sup>1</sup> Adapted from: Spenceley, A., Snyman, S., & Eagles, P. (2017). Guidelines for tourism partnerships and concessions for protected areas: Generating sustainable revenues for conservation and development. Report to the Secretariat of the Convention on Biological Diversity and IUCN. <https://www.cbd.int/tourism/doc/tourism-partnerships-protected-areas-print.pdf>

<sup>2</sup> <https://prosper-strategies.com/nonprofit-marketing-budget-part-one/>



## Best practices

Although the feasibility assessment is not mandatory, it is recommended to undertake a systematic financial assessment of the protected area (or broader protected area system) before setting any entrance fees or making decisions about selling rights. It is helpful to analyse current conditions, revenues, and costs and use the information to weigh different options for determining the concession/royalties conditions.

Willingness to pay fees and other prices should be tested among users, such as tourists and tour operators, before making a final decision. Those fees should be established as benchmark fees against those of local and regional protected areas with similar attractions competing for the same visitors.

Support for sustainable practices and the conservation objectives of the protected area, as part of contracts with tourism operators, should be the main message delivered by outsourcing those services, ensuring that partners are motivated to achieve sustainability goals.

To support the local economy, form agreements with concessionaires to employ a certain number of local staff, spend locally where possible, and contract out services to local businesses.

Additional tools that tourism operation concessionaires can use to improve sustainability are, for example:<sup>1</sup>

- **Certification:** Once operational, tourism businesses can apply for sustainability certification issued by an independent certifying body. **The Global Sustainable Tourism Council recognises certification body standards that align with its criteria and therefore have reliable processes.**
- **Integrated reporting** helps authorities to think holistically and ensure sustainability. Combining financial reporting with sustainability reporting allows companies to assess their overall impact and, from there, evaluate risks, promote good practices, and correct bad practices. Tourism concession contracts can stipulate reporting requirements to ensure that concessionaires integrate sustainability into their business activities and reporting. **One of the tools for integrated reporting is the Global Reporting Initiative.**<sup>2</sup>

<sup>1</sup> Spenceley, A., Snyman, S., & Eagles, P. (2017). Guidelines for tourism partnerships and concessions for protected areas: Generating sustainable revenues for conservation and development. Report to the Secretariat of the Convention on Biological Diversity and IUCN. <https://www.cbd.int/tourism/doc/tourism-partnerships-protected-areas-print.pdf>

<sup>2</sup> <https://www.globalreporting.org/>



# Suggested Key Performance Indicators (KPIs)

**Tourist volume.** A sufficient number of tourists generates revenue levels that offset a significant portion of the operating costs of a protected area. Check if the contracted partners for delivering the outsourced services offer great value, attracting tourists' interest and increasing the number of visitors. This generates revenue for the protected area through other means as well, such as entrance fees.

**Political acceptability of charging fees.** Acceptance by local stakeholders and domestic tourists of the advantages of and need for the assigned tariffs. First, it is necessary to check whether the prices at which permits and concession rights are being sold are fair and ideal, i.e., whether more money could be made by raising the price or by lowering it and attracting more partners.

Furthermore, in the case of tourism, evaluate whether the prices of the services offered by the investors are fair for tourists, thus increasing the number of visits. If necessary, please consider offering free entrance to local stakeholders, including inhabitants of neighbouring places.

**Revenue generated.** Calculate the profits generated by the sale of these rights. Also consider the costs and potential damages to the protected area due to increased use of the area for tourism and agricultural activities.

**Proprietary use of income for conservation.** Income generated by the sale of the rights is channelled to support conservation at the site of collection, rather than channelled into national or provincial general treasuries.

**Impact assessment.** A study on how outsourcing certain tourism and agricultural activities has caused damage to the protected area, compared to when these activities were carried out internally.

**The International Organization for Standardization (ISO) standard ISO18065:2015<sup>1</sup>** is a voluntary standard that establishes requirements for tourism services in protected areas while taking into account the conservation objectives of the area.

**The World Tourism Organization (UNWTO) indicators<sup>2</sup>** for sustainable development in tourism destinations describe the process of developing destination-specific indicators and include examples of applications in ecotourism destinations.

<sup>1</sup> International Organization for Standardization. (2015). INTERNATIONAL STANDARD ISO 18065: Tourism and related services — Tourist services for public use provided by Natural Protected Areas Authorities — Requirements. <https://cdn.standards.iteh.ai/samples/61250/d5e64e32586e42f797805195a4556316/ISO-18065-2015.pdf>

<sup>2</sup> SDG Indicators | UNWTO. (2022). The World Tourism Organization. <https://www.unwto.org/standards/sdg-indicators>



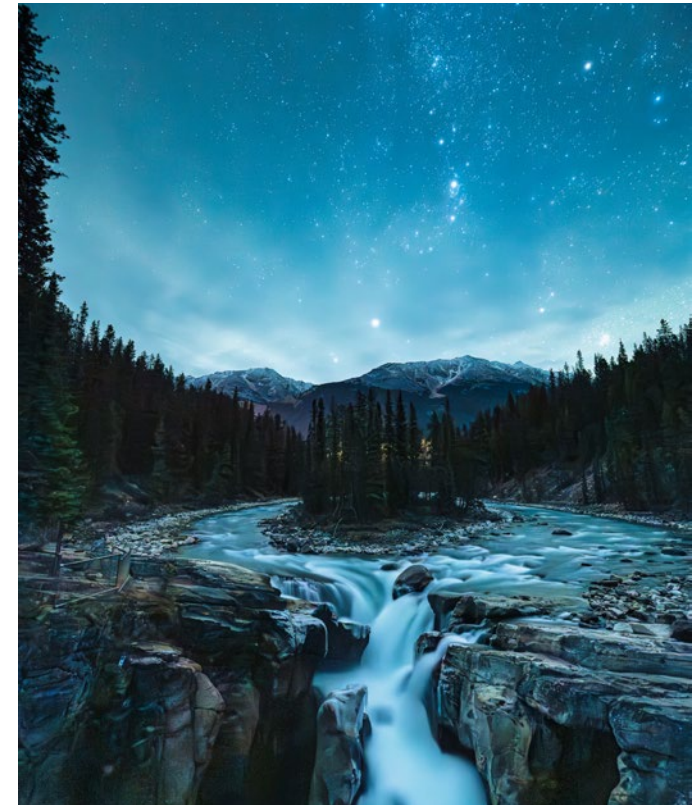
# Activities that may be deployed to generate income inside protected areas

## Tourism-related activities:

1. **Guided eco-tours**
2. **Wildlife and nature photography tours**
3. **Birdwatching expeditions**
4. **Nature hiking and trekking** (including competitions)
5. **Wildlife and nature interpretation programs**
6. **Geo-tourism and geology exploration tours** that highlight unique rock formations, geological processes, and natural landmarks, educating visitors about the geological history of the protected area
7. **Canoeing or kayaking tours**
8. **Stargazing and astronomy tours**
9. **Biophilic retreats** (immersive retreat experiences that combine nature, wellness, and education)
10. **Nature-themed yoga and meditation** retreats in nature
11. **Forest bathing and wellness retreats**
12. **Bioacoustic guided tours** that focus on the unique soundscape of protected areas, utilising bioacoustic technology to explore and appreciate the natural sounds produced by wildlife
13. **Camping and glamping experiences**
14. **Drone-based or trail camera wildlife monitoring/ tourism** with advanced imaging technologies to conduct non-invasive wildlife monitoring and behaviour viewing within protected areas
15. **Environmental education and awareness programs**
16. **Nature-inspired art and crafts workshops**

17. **Eco-friendly lodging and accommodations**
18. **Ecotourism transportation services** (e.g., electric vehicles, bicycles)
19. **Rowing boat rentals** (in lakes, rivers)
20. **Wildlife art exhibitions and galleries** (outdoor)
21. **Nature-inspired music and performing arts events**
22. **Outdoor adventure sports** (rock climbing, zip-lining, etc.)
23. **Low-impact outdoor event organisation**
24. **Wildlife and nature-themed escape rooms**
25. **Nature-inspired restaurant or café with local, organic cuisine**
26. **Outdoor team-building and leadership development programs**
27. **Ecological and wildlife-themed virtual reality experiences**
28. **Virtual reality nature experiences** that allow individuals to explore and learn about the natural world without even physically visiting it
29. **Sustainable wildlife/nature sanctuaries** that provide a safe haven for endangered species, allowing visitors to observe and learn about conservation efforts firsthand
30. **High-end mobile lunches in the middle of nature** (e.g. [www.outstandinginthefield.com](http://www.outstandinginthefield.com))
31. **Nature-inspired culinary experiences** with local chefs and food experts to develop sustainable, locally sourced menus that showcase the unique flavours and ingredients found within protected areas

32. **Nature Conservation Games:** Develop interactive and educational games that raise awareness about conservation challenges and encourage players to make environmentally conscious decisions
33. **Ecological Art Installations:** Commission artists to create large-scale installations using recycled or natural materials within protected areas
34. **Wildlife and nature-themed community events and festivals**



**Primary sector:  
agriculture/fishing/raw materials**

- 35. Organic farming and agriculture (e.g., tea)
- 36. Sustainable fishing and aquaculture
- 37. Sustainable timber sales
- 38. Non-timber forest products collection (e.g., nuts, berries, mushrooms)
- 39. Collecting resin from trees (mainly pines)
- 40. Collect and sell forest residues (e.g., to be sold to pellet factories)
- 41. Native plant nursery and sales
- 42. Organic and sustainable food production and sales
- 43. Sustainable livestock farming and grazing practices
- 44. Organic and sustainable wine or coffee production
- 45. Sustainable bee product production (honey, beeswax, propolis)
- 46. Sustainable water provision and management
- 47. Mud production with therapeutical features

**Energy**

- 48. Renewable energy microgrids within protected areas, demonstrating sustainable energy solutions and reducing reliance on non-renewable energy sources
- 49. Renewable energy generation (e.g., solar or wind farms)

**Product transformation**

- 50. Herbal medicine production and sales
- 51. Nature wellness products (essential oils, natural cosmetics, perfumes)
- 52. Sustainable handicraft production using natural materials
- 53. Wildlife jewellery production (if it doesn't harm the protected area)
- 54. Nature-inspired brewery or distillery using local ingredients
- 55. Sustainable firewood (pellets, charcoal) production and sales

**Wildlife and nature-themed related products/services**

- 56. Wildlife rehabilitation centres (supported by donations, paying visitors, zoos and other related entities)
- 57. Wildlife and nature-themed documentaries or films
- 58. Wildlife and nature-themed publications (books, magazines, guides)
- 59. Nature protected area merchandising
- 60. Ethical and fair-trade wildlife and nature-inspired merchandise
- 61. Wildlife and nature-themed board games or mobile apps
- 62. Sustainable e-commerce platforms for nature-friendly products

**Other activities**

- 63. Environmental volunteer programs
- 64. Carbon offset initiatives
- 65. Sustainable forest carbon sequestration initiatives
- 66. Sustainable wastewater treatment and management solutions
- 67. Flood protection services
- 68. Support services to the boating industry (e.g., docking in case of large rivers)
- 69. Corporate naming/sponsorship/donation
- 70. Reward-based or Donation-based crowdfunding
- 71. In-kind contributions from municipalities or other public sector
- 72. In-kind contributions from companies
- 73. In-kind contributions from individuals
- 74. Generous tax credits for corporates or individuals based on donations
- 75. Strategic partnership with land owners and other stakeholders where they also invest in biodiversity protection



# Successful case studies

## Iguaçu National Park, Brazil (PR)<sup>1</sup>

**The Iguaçu National Park (PR), one of the most visited parks in Brazil, uses the private sector to improve visitor services and conservation.** In an auction held in March (2022) by the Ministry of Environment, with support from BNDES, for the concession of tourism services in the Park, Consórcio Novo PNI offered the highest bid, R\$ 375 million (69.19 million euros), and won the autorisation to manage the park for 30 years.

**The auction for the concession of Iguaçu National Park is considered one of the largest ever held in the sector, as it is a place with consolidated infrastructure and an average visitation of more than 2 million tourists per year.**

“This is a big step for Brazilian tourism. We need attractive tourism products that provide an unforgettable experience to visitors, especially in the nature segment, a national and global trend. This is an important business opportunity, which will generate employment and development for our country,” highlighted the Minister of Tourism, Gilson Machado Neto.

**The concession project foresees investments of more than R\$ 500 million (92.25 million euros) in new infrastructure, including improvements for the public and biodiversity conservation, in addition to another R\$ 3 billion (553.5 million euros) for the operation and maintenance of the services.**

The new concession has the potential to double the number of visitors to the park, with expansion of the concession area and investments capable of increasing the attractiveness of the visit, according to Environment Minister Joaquim Leite.

Representing the Ministry of Tourism at the auction, held in São Paulo (SP), Débora Gonçalves, national secretary of Investment Attraction, Partnerships and Concessions, reinforces that the concession of the park will be a great tool for the development of the entire region.

“The concession of the National Park positively affects the entire tourism production chain in the surrounding cities and even in the entire state of Paraná. In addition, the three new stretches that will be created with the new concession will attract even more tourists to the park. Hotels, restaurants, bars, and other surrounding segments will be stimulated, moving more and more the economy of the region,” she points out.

**The new company will be able to establish special packages for visits of more than one day, encouraging tourists to stay longer. In addition, residents of the 13 municipalities surrounding the park will receive a discount on the entrance fee and will pay 20% of the maximum amount foreseen.**



<sup>1</sup> <https://es.travel2latam.com/nota/73373-parque-nacional-iguazu-contara-con-recursos-privados-para-turismo-y-mejoras-de-conservacion>

## Gran Paradiso Trademark of Quality, Parco Nazionale Gran Paradiso, Italy



Gran Paradiso National Park is located in the Graian Alps of northern Italy. It is Italy's oldest national park and covers an extensive area of high mountain landscapes.

The trademark Gran Paradiso is an instrument of identification that the National Park assigns to tourism, crafts, and food operators engaged in a process of quality and sustainability. Its objective is to guarantee, to consumers, the origin of the Park's territory, the quality of workmanship, and hospitality from the point of view of environmental protection, courtesy, and local traditions.

The framework law on protected areas 294/91 provides that the Park Authority may grant the emblem to their own local services and products that meet quality requirements and the aims of the institution itself.

All of the producers or local enterprises, upon verification of the requirements, belong to three distinct categories: agri-food, handicraft, or tourism sector. Operators must conduct the activity inside the protected area (Park Zone) or in the surrounding areas (Gran Paradiso Area).

In order to obtain the "Quality Label," enterprises and craftsmen involved must meet precise standards of territorial peculiarity and internal management aspects, in addition to the requirement to satisfy environment sustainability procedures and maintain compatible use of the territory resources.

In this way, the selected enterprises contribute to build a single front to enhance the area based on the territorial identity and on environment protection, providing added value to inhabitants and visitors in the Gran Paradiso area.

The products and services granted permission to use the Gran Paradiso "quality label" provide the consumer with different types of benefits including a guarantee of quality. From agri-food products, such as dairy products, jams, and honey; local handicrafts in wood, bronze, and copper; up to tourist and hospitality services, the guarantee of quality indicates a high level of control over product origin and quality, and over the service in itself, through the application of specific rules and procedures to be followed by operators. This means that the consumer or end user has extensive guarantees of authenticity, typicality, and a high level of service provided.

Moreover, the label means direct participation in environmental protection of the area. In fact, a consumer buying products or using services with the Gran Paradiso "quality label" is donating their contribution towards respecting and protecting the environment and local heritage, and preserving nature in the area. Likewise, vendors agree to a plan for improvement of their environmental performance in line with the mission of the Park.<sup>2</sup>

## National Park Hohe Tauern, Austria



Hohe Tauern National Park is the largest national park in the Alps, situated in the Austrian states of Salzburg, Tyrol, and Carinthia. The park incorporates diverse natural landscapes, including glaciers, alpine meadows, and forests.

Partner companies from East Tyrol offer a significant amount of tourism services in the Hohe Tauern National Park, such as vacation housing with a small CO<sub>2</sub> footprint, from luxury hotels to holiday apartments to simple private rooms. The culinary establishments invite all to experience enjoyment of the regional products, such as potatoes and polenta, spelt, mountain lamb, game, cheese, eggs, and vegetables. Ranger tours and other experiences vary depending on the season.<sup>3</sup>

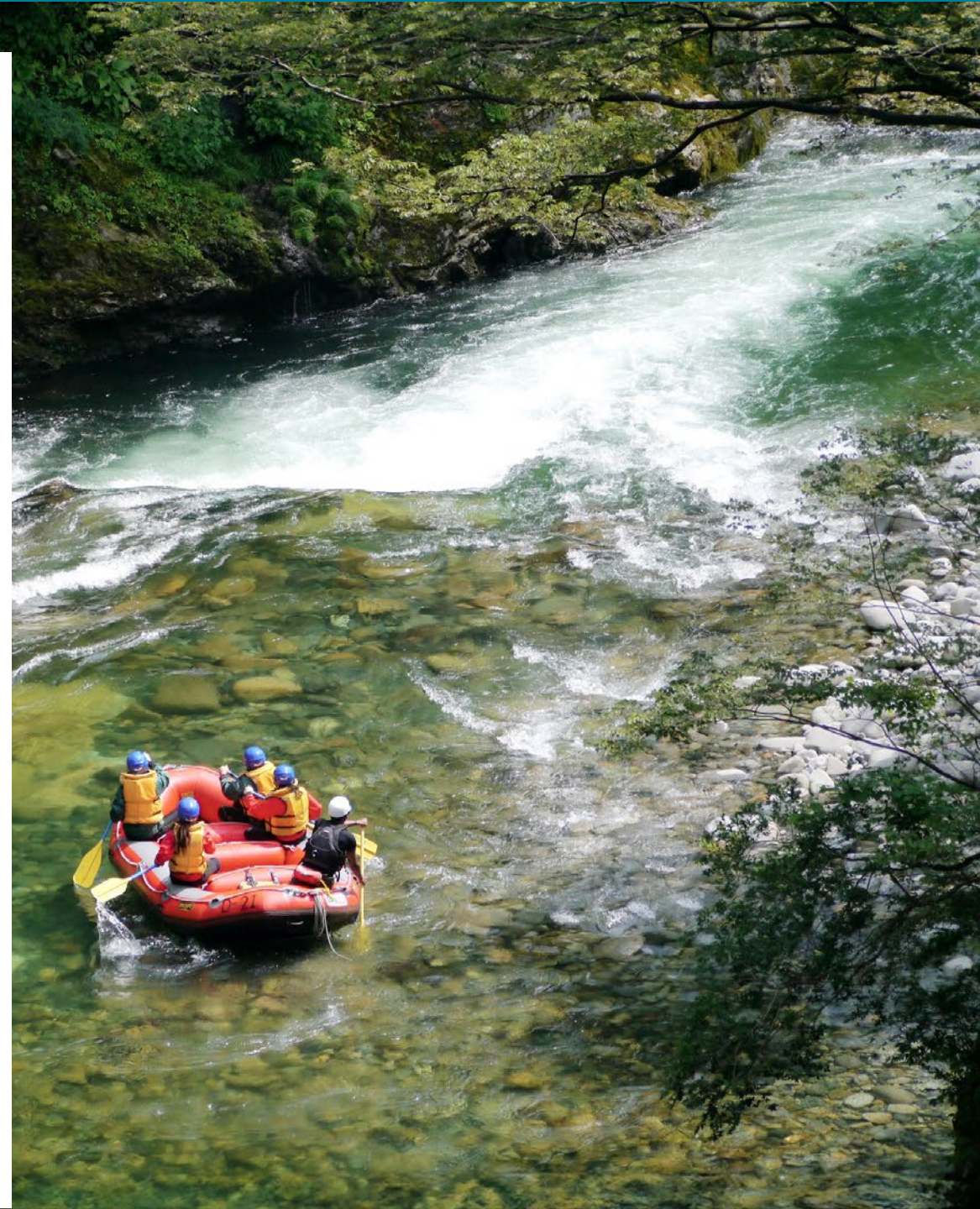
Brand „TauernLamm“. Agriculture plays a vital role in the local economy, and the park collaborates with farmers to support sustainable agricultural practices within its boundaries. Farmers in the region cultivate traditional crops, maintain alpine pastures, and breed local livestock, including mountain sheep and cattle. The park promotes and markets agricultural products from the region, such as meat, dairy, and alpine herbs, under the brand „TauernLamm“ (Tauern Lamb), generating revenues that contribute to the park's management and conservation activities.

<sup>2</sup> <https://www.pngp.it/en/quality-trademark>

<sup>3</sup> <https://www.osttirol.com/en/national-park-partners/>

# Glossary

- Certification** The action or process of providing a site with an official document attesting to a status or level of achievement
- Concessions** Charges or shares of revenue paid by businesses operating within PAs, providing services to visitors
- Ecotourism** An approach to tourism offering observation of the natural environment
- Feasibility Assessment** A study to determine if the requirements of a project or a program can be met within the cost, schedule, and performance constraints of the project or program
- Impact Assessment** A means of measuring the effectiveness of organisational activities and judging the significance of changes brought about by those activities
- Integrated Reporting** Brings together material information about an organisation's strategy, governance, performance, and prospects to reflect the commercial, social, and environmental context within which it operates
- Lease** Revenue from renting a given facility or portion of the protected area
- Licence** An instrument required for private firms (or individuals) to conduct activities on PA property
- Outsourcing** The business practice of hiring a party outside a company to perform services or create goods that were traditionally performed in-house by the company's employees and staff
- Royalty** Monies from sales of consumer goods, or fees on recreational equipment
- Swiss Bid** An interested party initiates a proposal for a contract or the bid for a project. The government then puts the details out into the public and invites proposals from others interested in executing the project
- Tendering of Bids** The process whereby governments and financial institutions invite bids for large projects that must be submitted within a finite deadline
- User Fees** Fees paid by visitors to use facilities within the PA



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