

Overview and Key Characteristics

Tourism user fees (TUFs) are market-based mechanisms, which are defined as ‘fees on tourism-based activities designed to generate revenues to support conservation’ (CBD, n.d.). TUFs can include entrance fees ([Factsheet 1](#)), concession fees, licences, permits and other tourism-related fees and taxes. This Factsheet focuses on different types of tourism concessions and the related legal instruments. Tourism concessions can enable Protected and Conserved Areas (PCAs) to raise revenues and meet goals of making the PCA accessible to visitors with quality services, while meeting social and environmental objectives (Wood, 2010). The term PCA concession can also refer to different forms of collaborative management partnerships (CMP), (see [Factsheet 4](#) and Conservation Finance Alliance (CFA) Tourism Concessions Guidance). This Factsheet is focused on tourism associated concessions rather than management concessions.

A concession is the right to use land or other property for a specified purpose, granted by the entity that holds the land rights, such as the government. It can include a commercial operation and/or land (Pocket Oxford Dictionary, 2006). A tourism concession could provide accommodation, food and beverage, recreation, education, retail, and interpretive services (Eagles, et al. 2009). Many tourism activities in PCAs fall under the definition of a ‘tourism concession’. A concession may be awarded via several processes, including auction, tender, direct award to an affected community, or in response to an unsolicited application. It is considered best practice to award a concession in a competitive and transparent manner (Spenceley et al. 2017).

Not all PCAs are suitable for tourism because of environmental or cultural sensitivities, for example tourism is inappropriate in ‘Strict Nature Reserves’ (The World Bank Group, 2016). The capacity to generate revenues from concessions depends on the PCA’s and concession holder’s ability to attract tourists. This will depend on the PCA’s attributes, location, facilities, access, and the feasibility of offering services that visitors are willing to pay, which cover more than the cost of operations. A feasibility study is essential to determine if a concession could be profitable and should include an analysis of the different tourism activities that can take place in the PCA, and matching tourism products to market demand. Tourism concessions should be compatible with, and complement, the PCA’s own provision of tourism opportunities, resources and attractions present.

The types of tourism concessions allowed in PCAs varies greatly, depending on the PCA type, relevant national level legislation around sustainable use, and the site’s condition.

Stakeholders will have varying interests as to why they want to operate a concession in a PCA. Some

of the main incentives to choose certain areas over others include:

- Potential profitability
- Biological or geological values the area
- Remoteness and privacy of the location
- Quality of facilities and other infrastructure provided by the PA authority (e.g. road network)
- Marketability and public awareness of the PCA
- Ease of access and ability to link into an already existing tourism circuit
- Supportive legislation
- A PA authority support for developing tourism



Tourism in Australia's Great Barrier Reef

Tourism activities can be insourced or outsourced. For insourcing, the PA authority staff may deliver and finance the service. Insourcing involves the authority functioning like a business, with the PA facilities and staff providing visitor services. Ideally the authority functions like an effective public utility or company. The case for outsourcing or private management of resources on public lands is often one of efficiency. When public agencies do not have the expertise to perform a service, or when they lack the funding or legal abilities required to build such capability in-house, transference of rights on the lands to other organizations can relieve public agencies from resource constraints of budget, capability, or expertise (Eagles, 2002). Many PCA agencies focus on management, while they engage partners to manage the concessions, thereby complementing skill sets and expertise. There is a range of legal options for the use of outsourcing, which include concessions, leases, licences and permits. The characteristics of these options are described in Table 1. A PCA management authority can use one or several of these legal options depending on the situation. For example, a guiding company may need a licence to operate its business and a lease to work out of a PA-owned building. Many countries have specialized legal instruments that affect tourism outsourcing procedures.

Table 1. Characteristics of legal instruments for tourism outsourcing (Spenceley et al. 2017).

Type of legal instrument	Description	Length	Examples
Concession	A concession is the right to use land or other property for a specified purpose, granted by a government, company, or other controlling body. It can include a commercial operation and/or a piece of land. A tourism concession could provide accommodation, food and beverage, recreation, education, retail, and interpretive services	10-40 years	Accommodation, restaurant, or retail facilities.
Lease or management contract	A contractual agreement in which one party conveys an estate (i.e. land and facilities) to another party for a specified, limited time period. The lessor retains ownership in the property while the lessee obtains rights to use the property. Typically, a lease is paid for.	5-30 years	Use of fixed infrastructure such as accommodation, airports, restaurants, shops etc. for a rental fee.
License	Gives permission to a legally competent authority to exercise a certain privilege that, without such authorization, would constitute an illegal act. Often seen by the public as a form of quality control and requires due diligence by the competent authority, in contrast to a permit. Possession of the land is not granted through the license. Licenses give protected area authorities the ability to screen applicants to ensure that they fulfil a set of conditions	Up to 10 years	Vehicle-based tours (e.g. game drives, hot-air ballooning, white-water rafting, boat cruise) using operators own equipment.
Permit	A temporary form of permission giving the recipient approval to do a lawful activity within the protected area. Permits normally expire within a short length of time. Usually, the number of permits is large and limited by social or environmental considerations. In most cases, permits are given to anyone who pays the corresponding fee.	Up to 10 years	Activities such as guiding, canoeing, hunting, and climbing using operators' own equipment.

The provision of tourism services in PAs is a complex, professional activity and there are five main types of entities that might enter a concession contract with the managing authority (Spenceley et al, 2017; Synman and Spenceley, 2019):

- For-profit, private companies
- Non-profit organizations
- Local community organizations
- Another government department
- A joint-venture company (i.e. public-private, private-community, public-community or public-private-community) designed for this task

How to plan for and implement tourism concessions

The [*Guidelines for tourism partnerships and concessions for protected areas: Generating sustainable revenues for conservation and development*](#) outline key steps in planning and implementing tourism concessions, including:

1	Scoping: This phase establishes whether tourism partnerships and concessions are the right approach for a particular PCA and allows the PCA authority to develop a strategic plan as a basis. Key characteristics of this step may include motivation, previous experience, attractiveness to investors, the legal framework, political will and financial support, and potential risks and barriers. The output of this step will be a strategic plan .
2	Design and feasibility: This phase builds on the scoping to establish what the tourism concessioning programme will look like, including available sites, tourism products to promote, potential markets and the most favourable type of concession model to use. Key characteristics of this step may include PA and site identification, legal assessment, stakeholder engagement, design of concession opportunity, viability and market assessment, setting fees, commercial viability for investors, and value-for-money for authorities. The output of this step will be a high-level business plan .
3	Procurement, negotiation and contracting: This phase implements the high-level business plan and includes the preparation for the procurement (including the strategy and package, promotional materials, and bidding documents) and then the transaction process itself. Key characteristics of this step may include procurement preparation, transaction management, negotiation and contracting. The output of this step will be a concession contract between the PA authority and an investor .
4	Management and Monitoring of the contract: Adaptive management is essential and if there are problems or other challenges during implementation, there should be clear options for remediation and resolution. Most concessions require annual reporting to the management authority.

Required Elements

Key requirements for the delivery of tourism services and products include the following:

- Having a **robust legislative and regulatory framework** to oversee and manage tourism concessions, with supportive institutions and relevant capacity
- Having a **well-protected asset** (fauna, flora, cultural, etc.) base for the tourism product or service to attract tourists
- **Local community support** for the tourism products and services, which requires engagement and equitable benefit-sharing
- **Choosing the correct partner**, i.e. private sector, community, NGO, etc. to manage/operate the tourism concession
- **Access and infrastructure:** having access for tourists to get to the tourism product or service, and the necessary infrastructure to support operations. An established tourism route/circuit can be beneficial and encourage greater investment, and increase visitor numbers

Success Factors and Risks

Key success factors for effective tourism concessions include (The World Bank Group, 2016):

- **Aligned with conservation objectives:** The PCA's management plan needs to allow for tourism and given that the primary function of a PA is to protect nature and biodiversity, the tourism activity must not negatively impact this objective.
- **Attractiveness:** The tourism services offered needs to be suitably attractive, competitive, and commercially viable to be profitably marketed and sold. When the available unique natural and cultural resources are leveraged, the tourism concession tends to be more successful and more likely to attract investors to develop tourism products and services in the area.
- **Accessibility and infrastructure:** The tourism activities need to be accessible, taking into account costs and time needed to travel to them, and the proximity of already established tourism routes/circuits with which to align. Communication, water, power and other utilities and the cost of these is also important to consider depending on the tourism product and/or service.
- **Governance:** A legally robust, clear, and transparent concessions framework is important for success and sustainability. A concessions framework is the essential underlying architecture that enables a concession to be awarded and operated. It includes, but is not limited to, the legal and regulatory structure, and may also encompass the governance and institutional set-up, as well as practical tools and guidelines for implementation (The World Bank Group, 2016: 19). Examples of national policies for concessions and partnerships in Africa can be found in the *Additional Resources* section.
- **Management:** A PCA management plan is essential for concession planning, to ensure that there is guidance related to what tourism can be developed, where, and how (Thompson et al, 2013). There needs to be sufficient local authority capacity and willingness to support the tourism concession process and ongoing running of the activities, including the maintenance and management of the asset base of the PAC and its biodiversity. If the natural asset becomes degraded through deforestation, poaching, pollution, etc., then visitor demand and pricing will be affected, which will impact the commercial viability of the tourism concession.

- **Transparency:** There needs to be transparency and if possible, experience or capacity building to manage tourism concessions.
- **Clear and transparent procurement processes** are important to build trust.
- **Choosing the appropriate model:** Selection of the appropriate tourism concession model for the particular situation is important in terms of ensuring long-term success and maximising the socio-economic benefits expected from tourism. See Snyman and Spenceley, 2019 for details on various arrangements and case studies.
- **Equitable and effective contracts:** Concession contracts that are comprehensive and clear protect the interests of all parties. Contracts need to be flexible to allow for changing circumstances, e.g., the COVID-19 pandemic. An effective contract achieves the right balance of responsibilities and accountabilities and addresses issues that are important for financing, including the allocation of risks and rewards, transfer and assignment of rights and termination.
- **Safety, political stability, and security:** There needs to be safety, stability, and security in and around the PCA so as not to discourage tourists from visiting, as has been seen for example in some parts of West Africa due to the activities of Boko Haram.
- **Sustainability:** Sustainability in tourism relates to ensuring a long-term, positive impact on the local community, environment, society, and the economy. Ensuring that the tourism activities are aligned with sustainability objectives is more likely to lead to long-term success: commercially and environmentally.
- **Benefit-sharing:** Communities that receive consistent, tangible benefits from tourism are more likely to be supportive of tourism and to welcome tourists, enhancing the tourism experience and providing a more supportive overall business environment.
- **Stakeholder engagement and ongoing communication:** Successful and sustainable concessions identify and engage local stakeholders early on to understand their expectations, concerns and interest in being involved or not. Continued communication and engagement are important for long-term sustainability.
- **Risk management:** Successful tourism concessions practise effective risk management by identifying, mitigating, and monitoring risk through stakeholder engagement, site assessments, regular monitoring, evaluation and reporting, adequate due diligence, and employing experienced/reputable technical personnel.

Case Studies

Partnership types in Brazilian protected areas

The federal government of Brazil manages 327 PAs, of which 72 are national parks, comprising 26.7 million hectares. These areas are under the responsibility of the Chico Mendes Institute for Biodiversity Conservation (ICMBio). Concessions and partnerships are promoted by ICMBio to strengthen the quality of visits, while respecting the diversity of recreational opportunities, and goals of these areas related to biodiversity conservation and sustainability. There are concession contracts in progress in the following national parks: Tijuca k, Iguaçú, Fernando de Noronha and Serra dos Órgãos. In the northeast of the country, the Fernando de Noronha Marine National Park, known for its beautiful beaches and rich marine biodiversity, also provided some services and infrastructure such as entrance fees, trail maintenance, information centre with equipment rental and a snack bar through a concession. In 2016, the park received 390,000 visitors and raised ~\$US 386,000 from tourism. In addition to the concessions, some services such as a visitor's guide, boat tours, transportation, are offered through authorizations (as a licence for operation).

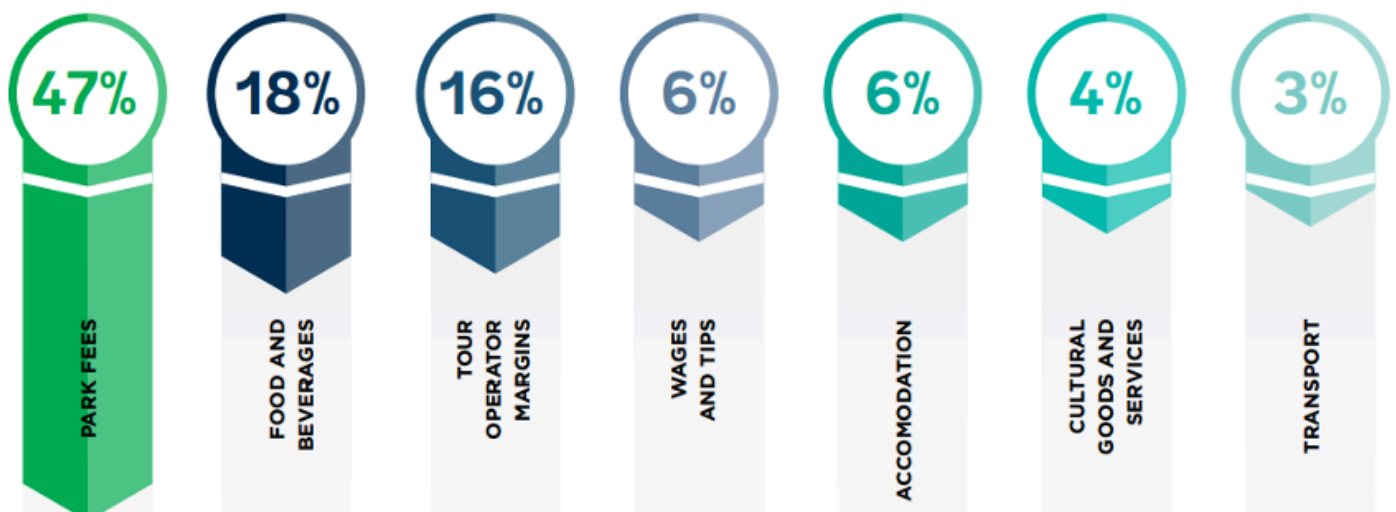
In the Chapada dos Veadeiros National Park, in the central region of the country that protects the cerrado ecosystem, the canyoning is operated by an authorization, which establishes some obligations for operators related to visitor safety and to the minimum impact on the natural environment.



Iguaçu falls at Iguaçu national park in Brazil

Breakdown of different tourism activity expenditure, Tanzania

Almost half (47%) of the average US\$ 1,376 a tourist spends on a mountain climbing holiday to Mount Kilimanjaro in Tanzania goes towards park fees. A further 18% is spent on wages and tips for porters and guides, and 4% on local cultural goods and services (Figure 1). Increasing the proportion of expenditure that reaches the local economy is typically a primary aim of national governments. Such a high percentage that is captured by park entrance fees is extremely rare and park fees often form a very small percentage of total tourist expenditure.



Distribution of Financial Benefits from Mount Kilimanjaro National Park, Tanzania
(The World Bank Group, 2016)

Trends and Future Directions

Trends and potential future directions include:

- **Sustainability:** There is an increasing demand from consumers for tourism products and services to be more sustainable. With tourists' access to social media, greenwashing is to be avoided at all costs.
- **Linking to conservation:** Tourists want to see linkages between their tourism experience and conservation, particularly in terms of supporting conservation. It has also been shown that where tourists are more closely involved in the conservation experience, they also have more positive attitudes towards conservation (see Skibins et al., 2023; and Kredens & Vogt, 2023).
- **Partnerships and collaboration:** There is increasing interest in forming tourism partnerships, particularly public-private partnerships (PPPs) and through these building the capacity of the public sector to engage more equitably in tourism going forward.

Additional Resources and References

Resources

Wood, E.M. 2010. [Best practice for tourism concessions in protected areas: Case studies from Latin America](#). DAI Project 1000282.

Snyman, S. and Spenceley, A. 2019. [Private sector tourism in conservation areas in Africa](#). CABI publishers, Oxford.

Spenceley, A., Snyman, S., and Eagles, P. 2017. [Guidelines for tourism partnerships and concessions for protected areas: Generating sustainable revenues for conservation and development](#). Report to the CBD.

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Spenceley, A. (Ed.). 2021. *Handbook for sustainable tourism practitioners: The essential toolbox*. Edward Elgar Publishers, UK and USA.

Spenceley, A. 2023. [Various publications related to sustainable tourism](#).

Thompson, A., Massyn, P. J., Pendry, J. and Pastorelli, J. 2014. [Tourism concessions in protected natural areas: Guidelines for managers](#). United Nations Development Program.

Country specific resources

[Mozambique, Tourism concessions in PAs in Mozambique: Manual for operators and concessionaires](#)

[Namibia tourism and wildlife concessions policy, 2007](#)

[PPP Toolkit – South Africa PPP Manual: National Treasury PPP Practice notes issued in terms of the Public Finance Management Act](#)

[Rwanda PA concessions management policy, 2013](#)

[Swaziland PPP policy](#)

[Tanzania National Parks, Tourism Investment Manual, 2019-2024](#)

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