




BESTbelt



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Guidelines for concession granting permits and licenses

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Authors:

Taida Garibović, GAIA Consulting

Michael Meyer, Ecological Tourism in Europe – Linking Tourism and Conservation

Note:

This document has been developed as part of the European Green Belt project „Sustainable Water-based Sport Solutions, Ref. No. HR-23-1068-69“. This document is an adapted version of the document *“Guidelines for tourism partnerships and concessions for protected areas: Generating sustainable revenues for conservation and development”*, developed under the *“Report to the Secretariat of the Convention on Biological Diversity and IUCN (June 2017)”*.

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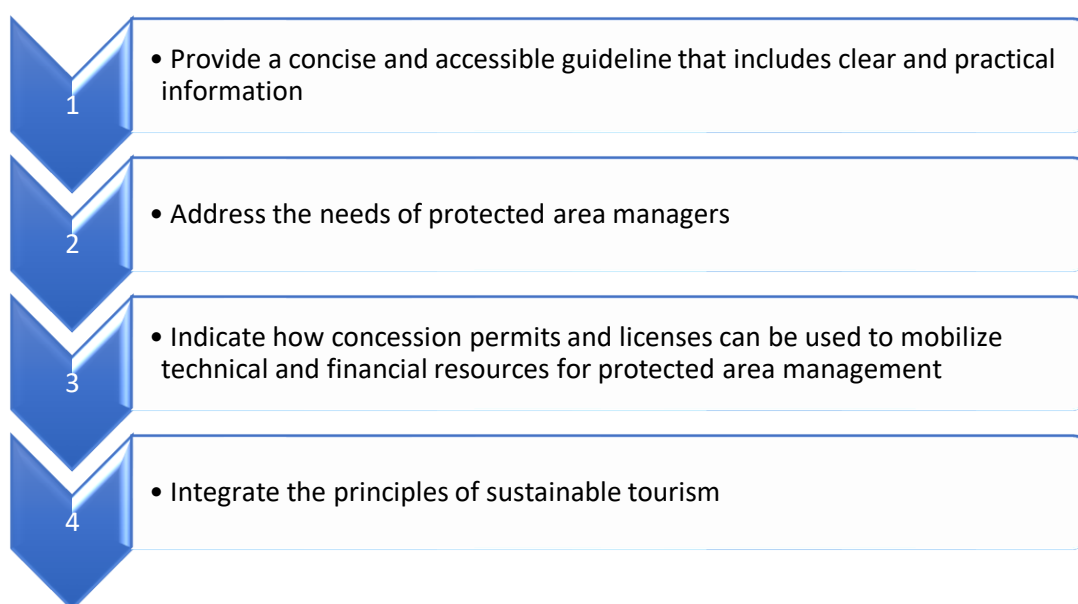
1. Scope of the Guidelines

The scope of the **Guidelines for concession granting permits and licenses** is to underline the decision on tourism of the Convention on Biological Diversity (CBD) to “*build the capacity of protected area agencies to engage in partnerships with the tourism industry to contribute financially and technically to protected areas through tools such as concessions, public-private partnerships and other forms of payments for ecosystem services*”.¹ Protected area managers should know and understand the potential of tourism as a growing economy and use it to enhance the conservation and preservation of their protected areas, also bearing in mind to avoid, stop, and/or mitigate the negative impacts of tourism practices.

These Guidelines are an adapted version of the “*Guidelines for tourism partnerships and concessions for protected areas: Generating sustainable revenues for conservation and development*”, developed under the “*Report to the Secretariat of the Convention on Biological Diversity and IUCN*” (June 2017)”, reflecting the current status quo of concession-granting process for protected areas in Croatia.

Within these Guidelines, **the aim** is to provide a set of information to support protected area managers in achieving sustainable tourism operations in their protected areas, to use the benefits of sustainable tourism in managing their protected areas, and work on the development of sustainable and responsible tourism partnerships and concession granting model. Well-established partnerships that are transparently built and based on mutual trust can bring technical and financial resources to protected area management.

The objectives of these Guidelines are to:



¹ Convention on Biological Diversity Decision XII/11 on Biodiversity and Tourism Development (paragraph 1(d))

2. Tourism in protected areas

Recreation is one of the key ecosystem services in natural areas, making protected areas one of the most desirable destinations for recreation. Many tourism operators have recognized the potential of protected areas for their financial revenue. On the other hand, as tourism is highly dependent on natural resources, it has the potential to contribute directly to the preservation of protected areas as a global conservation strategy. Successful tourism in protected areas requires the ability to develop and market tourism products based on what the protected area has to offer and the ability to maintain the quality of these areas for ongoing future use.² This can all be done by the protected area managers, however, it requires using many resources, such as financial, human, and logistic. With the work protected area managers have regarding conservation and other protected area related tasks, this can sometimes be overwhelming, as long-term sustainability is the key to making it all together viable. In this case, to encourage successful and sustainable tourism in protected areas, protected area managers can outsource tourism operations through concession granting permits and licenses.

2.1 Recommended prerequisites for sustainable tourism operations through concession granting permits and licenses

If protected area managers opt to outsource commercial tourism activities to potential investors or tourism business companies through concession granting permits and licenses, a few actions are recommended as a prerequisite:

1. **Protected area Management Plan.** The most important legal document each protected area should commit to drafting once it is established. The Management Plan clearly defines what type of tourism can be developed, where, and how. It is a basis for planning the concession granting process.
2. **Feasibility study.** A study should include an analysis of all possible kinds of tourism activities that can take place in a certain protected area. It is important to include all information and an assessment of the protected area itself, as it is extremely important to understand its position in a wider context. These include the protected area's location, state of natural resources, facilities, access, and the feasibility of offering services that visitors are willing to pay. It should include the analysis of market demand to match them with potential tourism services and products that could be offered within a protected area. Creativity is highly welcomed here, to include a variety of different tourism products and services. Last but not least is to make tourism concession granting process compatible with the protected area's provision of tourism services, resources, and attractions present (ideally, if possible).

² 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.

3. **Cost-Benefit-Analysis (CBA).** In case protected area managers and the stakeholders involved have identified tourism products, possibly connected with new construction, running through a CBA for testing the economic and social sustainability of the idea before it is presented (tendered) to potential investors is recommended.
4. **Internal rulebooks.** Documents specifically related to the protected area and delivered by the protected area managers. The rulebooks align with national legislation and provide detailed information about specific tourism activities and rules of conduct in a protected area.
5. **Protected area staffs' capacity.** The concession granting process should be overseen by a small group of protected area staff (preferably 2-3 people) who understand commercial tourism operations and work in close cooperation with other protected area staff and decision-makers (mostly management council, i.e. protected area authority) to administer and award/grant concession permits and licenses.

2.2 Types of tourism concession permits and licenses and partnerships (potential concessionaires, holders of the concession permits and/or licenses)

The types of tourism concession permits and licenses that are considered acceptable within protected areas are different from country to country. It is highly dependent on the history of protected area use, the country's culture, the policy related to nature protection, and the inclusion of a concession granting process. Some countries and protected areas allow intense tourism use of natural resources, while others limit tourism to allow nature to restore and minimize the effects of tourism.

When choosing the type of concession granting process, i.e., type of concession permits and licenses and potential future concessionaires, protected area managers have to ensure that they have included all opportunities and challenges and that they are properly addressed (this can be included in a Feasibility study + Management Plan). Table 1 presents opportunities and challenges of tourism concession granting process and partnerships (potential concessionaires) in protected areas.

| Opportunities | Challenges |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Additional tourism products and services: Offering additional tourism services, goods, and infrastructure that the protected area managers cannot afford to do, or are not able to provide • Additional funding: Fees and rentals contribute to funding protected areas • Increased tourism demand: Permits the expansion of protected areas to include adjacent critical biodiversity areas, and to create biodiversity corridors and linkages, | <ul style="list-style-type: none"> • Capacity and skills issues: Lack of capacity and tourism skills of protected area staff to manage concession granting process and work with the concessionaires • Time constraints: The selection, management, monitoring, and evaluation of concession granting process can occupy a significant amount of protected area staff's time • Infrastructure issues: It is often difficult and/or not in the jurisdiction of protected area managers to provide adequate infrastructure to |

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>which in turn leads to enhanced nature tourism opportunities and increased education</p> <ul style="list-style-type: none"> • Raising awareness and increasing knowledge: Tourism concession permits and licenses enhance visitor and education outcomes through good interpretation and by providing a quality visitor experience • Ability to focus on core function: Protected area staff can focus on their core function of biodiversity conservation: funding from government and other sources can be used for conservation activities rather than tourism activities • Providing important socio-economic links: Tourism activities through concession permits and licenses can provide a vital link between local communities, socioeconomic development, and biodiversity conservation • Increasing employment: Potential for increased local direct and indirect employment through granting tourism concession permits and licenses • Increasing local multipliers: Development of new opportunities for employment and small businesses for local communities | <p>service tourism, e.g., roads, water supply, communication, etc.</p> <ul style="list-style-type: none"> • Non-compliance and threats to sustainability: Concessionaires who do not comply with protected area rules and regulations, or their concession permit, or license agreement conditions can cause damage, environmentally, culturally, and socially • Political power of concessionaires: Leading to inappropriate approvals or conditions, or inadequate enforcement of concession permit or license agreement conditions • Tourism-demand issues: The tourism industry is highly competitive; tourism can be seasonal and volatile: impacted by political, natural, economic, and health issues • Governance issues: Corruption and inefficiencies in the concession granting process can result in low demand for concession permits and licenses • Fees and terms: A reasonable fee structure and terms (time period) need to be offered to the potential concessionaire • Size and location of land available for concession granting process: Determining the size (area) and location for the future granted concession permits and licenses, relative to other infrastructure and services (e.g., roads, gates, routes, protected area boundary, power supply, private traversing, etc.) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Table 1. Opportunities and challenges of tourism concession granting process and partnerships in protected areas²

2.3 Partnership types (types of potential concessionaires)

Many types of services can be provided in protected areas for visitors, either through services focusing directly on visitors, such as guided tours and equipment rental, or through services supporting visitation, such as a digital counting system. Each protected area authority has to decide, and on the level of each service, will the service be insourced (done by the protected area staff itself), or should it be outsourced to other tourism operators, i.e., granting the concession permit or license. This is decided according to the Management Plan, CBA and the Feasibility study, as different elements must be considered (e.g., staff, finances, time, willingness, etc.)

If the protected area authority opts for **insourcing**, then the protected area is functioning like a business and operating as a public utility. In that case, protected area facilities and staff provide the tourism service to the visitors.

If the protected area authority opts for **outsourcing**, then the protected area authority contracts a third party to deliver the tourism service. Outsourcing can have its opportunities and challenges, as seen in Table 1.

The types of potential concessionaires can be various. They can have different legal statuses, but all must be registered to provide a tourism service that is to be outsourced by the protected area authority.



Picture 1. Different legal types of potential concessionaries

2.4 Legal instruments

Each country has different legal instruments to outsource tourism services, and before deciding which type should fit the best, each protected area authority should review the relevant legislation of their respective countries. Table 2 gives the most common types of legal instruments used by the protected area authority in Croatia.

| Type of legal instrument | Description | Length | Examples |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Concession permit | A temporary permission giving the recipient approval to do a lawful activity within the protected area. Permits normally expire within a few years and can be renewed through a new concession granting permit call/tender. Usually, the number of permits is limited by social or environmental considerations. In most cases, permits are given to anyone who pays the corresponding fee and is in line with all legal requirements of a concession granting permit call/tender. | Up to 5 years | Activities such as guiding, canoeing, rafting, kayaking, and climbing using operators' equipment, equipment rental, and boat tours. |
| Concession permit on demand | A temporary permission giving the recipient approval to do a lawful activity within the protected area or leased part of a land. Permits normally expire within a few years and can be renewed. The number of permits is given based on a demand by the landowner or the land leaser. Permits can be limited by social or environmental considerations. In most cases, permits are given to anyone who pays the corresponding fee. | Up to 5 years | Restaurants and bars outside urban settlements, camping sites, shops, parking lots, and beekeeping. |
| Lease | A contractual agreement in which one party (protected area authority) conveys an estate (i.e., facilities) to another party for a specified time period. The lessor retains ownership of the property while the lessee obtains rights to use the property. Typically, a lease is paid for. | Up to 5 years | Use of fixed infrastructure such as accommodation, restaurants, shops etc. for a rental fee. |

| | | | |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------------------------------------------------------------------------------------------------------|
| License | A temporary permission giving the recipient approval to do a lawful activity on the maritime domain within a protected area. Usually, the number of licenses is limited by social or environmental considerations. In most cases, license is given to anyone who pays the corresponding fee and is in line with all legal requirements of a license call/tender. | 2 to 5 years | Activities such as rental of recreational and sports equipment, catering, diving schools, sailing schools. |
| One-time concession permit | A temporary permission giving the recipient approval to do a lawful activity within the protected area for a short time period, not more than 7 days per year. The permit is given on demand, and a set fee is paid. | Up to 7 days | Organization of cultural events, organization of manifestations, commercial photographing, and filming. |

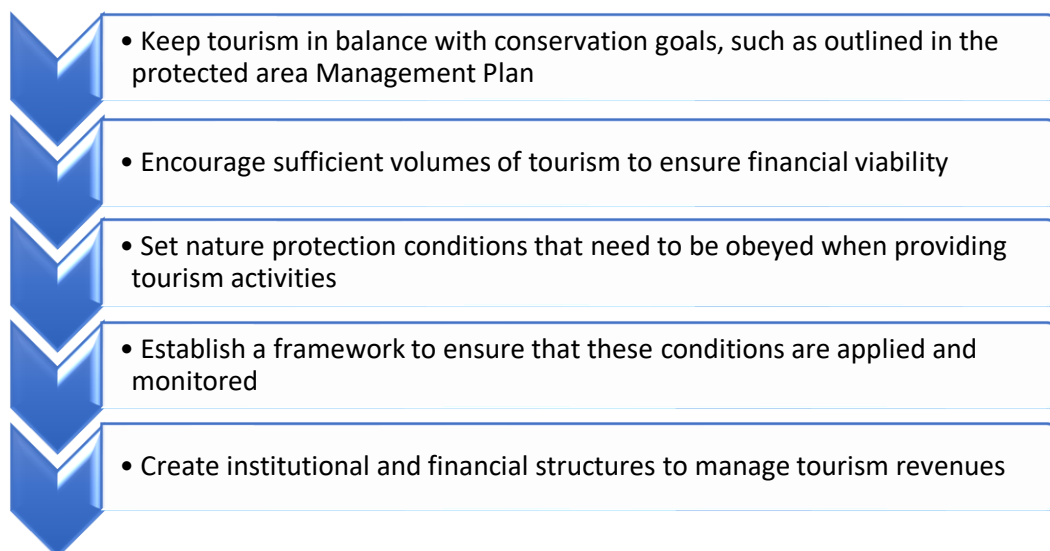
Table 2. The most common types of legal instruments in Croatia

3. Legal framework and foundations for concession granting process

National laws define the concession granting process in most countries. Usually, there is more than one legal document that needs to be thoroughly checked when a protected area authority decides to start the concession granting process. Protected area authority requires staff with the appropriate training and knowledge of national laws and policies that deal with outsourcing tourism services. This will highly affect the choice, management, and enforcement of concession permits or licenses contracts. Nature protection laws and associated laws that relate to the governance of protected areas are also advised in the concession granting process. There are also specific laws and rulebooks (e.g., in Croatia, the Rulebook on concession permits in protected areas and the Law on lease and sale of business premises) that stipulate what type of tourism activities are allowed in the protected area or how to outsource a tourism activity in the premises or on the protected area's land.

As protected area authority deals with different types of stakeholders willing to provide tourism activities, it is advised to understand the laws behind different tourism activities in protected areas. For example, in some countries, according to specific laws, the national government provides a long-term concession for river management. If the river is part of a protected area, tourism operators on the river must obtain a written agreement with the concessionaires on the river to define the time of "river usage". This is a prerequisite to participating in the concession granting process initiated by the protected area authority.

Concession granting permits and licenses, and partnerships should:³



Revenue from concession permits and licenses should be kept separately in the general accounting system to track the inflow of concession money properly. Ideally, a whole of the revenue generated by concession permits and licenses should be invested in the protected

³ Thompson, A., Massyn, P. J., Pendry, J., Pastorelli, J. (2014): Tourism concessions in protected natural areas: Guidelines for managers. United Nations Development Program

area, in improving the area and mitigating any negative environmental impacts of tourism. In case the local community is affected by tourism activities through concession permits and licenses, a proportion of the revenue should be shared with them. It also provides a certain level of transparency and trust between protected area authority, local communities, and concessionaires. National laws often determine this process. Table 3 lists the characteristics of concession permits and licenses laws, regulations, and policies.

- Concession permits and licenses contract terms, such as length of contract operation
- Process for obtaining concession permits and licenses proposals
- Award process
- Evaluation criteria
- Protections for concessionaires
- Concession fees (to the protected area authority)
- How concession fee revenues are spent (i.e., on conservation, maintenance, local community etc.)
- Economic development
- Preferences (e.g., added values for nature protection, local or community businesses)
- Assignments and transfers of rights
- Suspension or termination procedures
- Prosecution, breach and penalties

Table 3. Characteristics of concession permits and licenses laws, regulations, and policies in a nutshell³

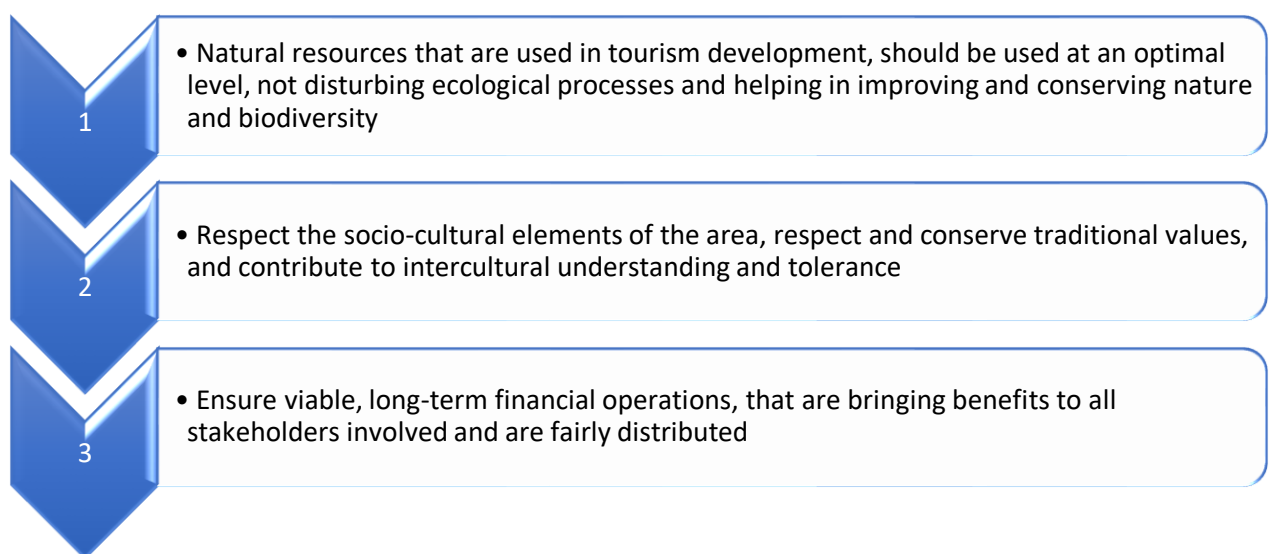
When talking about contracts between protected area authority and concessionaires, a few important points should be taken into account when drafting the contract:²

- The contract should be written in a clear manner to leave no room for misinterpretation. It should set clear rules and responsibilities for contracting parties involved, i.e., protected area authority and concessionaires.
- The contract should include tourism activities in the protected area that have been part of the concession granting call or asked on demand. The responsibilities of each party must be listed in sufficient detail in a contract. Having a clear idea of these responsibilities allows for the regular measurement of contract implementation. There ought to be financial and other penalties for non-compliance.
- The contract ought to also include a section outlining the rules for cancellation of the contract in the case of major non-compliance with contract stipulations.
- The contract must include nature protection conditions and a section on monitoring, which is the frequent check of the protected area management about the performance of the tourism operation under the concession permit or license, and at the same time, an annual report of the concessionaire of meeting the rules and regulations. A monitoring plan should be annexed to the contract, ideally.
- Inclusion of clauses for periodic review, to allow for flexibility and adaptation during contracts that last more than a year.
- If parties cannot agree on their own regarding contract stipulations, the whole contract will be subject to interpretation by the courts.

4. Sustainability in the concession granting process

Protected area authority's responsibility is to ensure sustainability is incorporated in all steps of the concession granting process, from designing the concession permit or license call/tender to contracting and monitoring the implementation of the contract.

Sustainable tourism principles refer to tourism development's environmental, economic, and socio-cultural aspects. These three elements should be in a suitable balance to ensure long-term sustainability. When thinking of **sustainable tourism**, it should follow these **three important points**:



4.1 Ensuring sustainability in concession granting process and partnerships

Within the following two tables (Tables 4 and 5), a set of sustainability ideas (and criteria) are given to ensure sustainability throughout the whole concession granting process, from the call/tender design to the contract development.

| Theme | Concession permits and licenses and partnership scoping, design and feasibility, call/tender phases |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Economic | <ul style="list-style-type: none"> • Require partnership proposals to include a development plan that indicates how concessionaires will: (a) procure goods and services from local and fair-trade sources, (b) employ and advance people from local and marginalized groups, and (c) provide equity to local and marginalized groups • Assign more points to proposals that directly benefit local communities / marginalized groups • Ensure that the bidder's proposals do not undermine traditional resource access rights • Educate the community investors about tourism, including visitation, finance, marketing, etc. • Check investors' business models, and ensure they are realistic relating to potential bed nights, revenues, employment figures, etc. • Create a framework that incorporates benefit-sharing plans for all engaged stakeholders, whether from revenue generated by the concession permits and licenses for the protected area authority, or by the concessionaires |
| Environmental | <ul style="list-style-type: none"> • Conservation is the primary objective of protected areas and should always be considered in all decision-making • Assess the Carrying Capacity (CC) of the area in terms of tourism numbers and associated environmental impacts • Determine suitable tourism activities for the area, e.g., photographic tourism, kayaking, walking trails, etc. • Consider the impact of location, size, etc. • Consider the siting of access roads |
| Socio-cultural | <ul style="list-style-type: none"> • Ongoing engagement and open dialogue with all detected stakeholders • Ensure consideration of development plans about respecting community access, land rights, and sites of cultural importance • Assess potential opportunities for integrating local cultures and cultural activities into the tourism product in a respectful way • Provide capacity building for community members and institutions related to tourism, business, etc. • Manage community expectations through realistic goal setting and benefit-sharing plans • Engage local communities as to how they can be involved in the tourism product, if they would like to be • In case local communities will be affected by tourism activities through concession permits and licenses, include them in a decision-making process for benefit sharing, either from concession money or from concessionaires |

Table 4. Concession permits and licenses and partnership scoping, design and feasibility, call/tender phases – sustainability ideas²

| Theme | Concession permits and licenses and partnership contract management |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Economic | <ul style="list-style-type: none"> • To recruit and employ staff equitably and transparently • To promote ongoing business and tourism skills training and development for all engaged stakeholders • To promote sustainable Corporate Social Responsibility • To promote the use of local suppliers of goods and services • To ensure effective, transparent, and efficient benefit-sharing • To advise local small businesses to equip them to trade their goods and services with concessionaires • Requirement to monitor and provide a high level of tourist satisfaction |
| Environmental | <ul style="list-style-type: none"> • Ensure the conducting of an Environmental Impact Assessment, if applicable • Ensure implementation of the protected area's Management Plan • Considering development plans with the lowest possible ecological impact, including energy-saving and environmentally friendly products and services. Always keep in mind that conservation is the primary objective of protected areas • Maximizing the use of sustainably harvested local materials • Incorporating local architectural styles to reduce aesthetic impacts • Minimising and monitoring water, non-renewable energy, and material use • Educating staff and guests about saving resources • Managing all types of waste effectively, recycling • Avoid the use of environmentally unfriendly products • Planting of indigenous vegetation • Considering the impact of driving off-road, etc. • Use of energy-efficient appliances (e.g., solar) |
| Socio-cultural | <ul style="list-style-type: none"> • Ongoing engagement and open dialogue with all stakeholders • Manage community expectations through realistic goal setting and benefit-sharing plans • Ensure implementation of the protected area's Management Plan • Respecting the social and cultural way of life of the host community • Providing capacity building for community members and institutions related to tourism, business, etc. • Promoting local cuisine • Promoting local businesses to support tourism (e.g., crafts, village tours, etc.) • Preserving the integrity of cultural resources • Encourage bidders to incorporate environmental awareness programs for local people (particularly children) |

Table 5. Concession permits and licenses and partnership contract management – sustainability ideas and criteria²

5. Concession granting process step by step

In this chapter, we will go in-depth on how to start, implement, and monitor the whole concession granting process, considering all factors mentioned in the guidelines.

5.1 Scoping

In the scoping phase, the first phase that needs to be considered when dealing with concession granting permits and licenses (or whatever task, in general), protected area authority should first decide if concession permits and licenses and tourism partnerships are the right choices for them. In this phase, the authority can develop a simple strategic plan and continue according to it.

5.1.1 Motivation

Motivation describes the reason that protected area managers/authority have for partnership and concession permits and licenses, and also objectives and targets that may be affected by the decision for a specific protected area. This can be based on the protected area's policies and strategies and their specific goals and targets, if mentioned (e.g., Management plan or Action plan for visitor management), as well as on specific needs on a local level (e.g., to generate income for conservation purposes or infrastructure development, enhance job employment for local communities). The motivation can be done internally, within the protected area staff, and relevant regional and national decision-makers (e.g., counties, ministries).

5.1.2 Protected area managers' capacities

Before starting the concession granting process, protected area managers should assess their capacity and skills needs to determine capacity shortages and requirements. The complexity of the tourism concession granting process requires that protected area managers have qualified and well-trained staff with skills and capacities to coordinate the overall process. In cases where there are sufficient funds within protected areas, certain knowledge and skills could be outsourced. This should be taken cautiously, as having this person on the team during the whole concession granting process is important.

Staff would require different sets of knowledge and skills, from specific ones like understanding the tourism business to more general ones, such as financial, analytical, contract management, communication, etc. (detailed skills are listed in Table 6). If (when) gaps

are identified, the protected area managers should approach capacity-building activities such as:²

- Formal training focusing specifically on different aspects of tourism concession granting process
- Practical mentorship training, including on-the-job training, job shadowing, and mentoring by tourism concession granting process staff or technical experts with needed capacity and skills
- Exchange visits, visiting other protected areas to learn from their successes and challenges, share ideas, and discuss issues related to tourism concession granting process
- Technical experts/consultants with specific technical skills in areas where capacity is needed can be brought in to guide and mentor staff
- Partnership support through joint ventures and other partnership models learning-by-doing, mentoring, on-the-job training, and capacity building done in conjunction with the private sector and other partners
- Online forums and resources. There are many online courses. Joining a forum such as the IUCN WCPA Tourism and Protected Areas Specialist (TAPAS) Group and associated Working Groups allows for important global networking and sharing of skills, knowledge, and resources

- Understanding tourism business (e.g., circuits, promotion, revenues & costs, demand studies, diversifying tourism products, implications of conservation policies)
- Protected area management planning (e.g., zoning, area available for concession permits and licenses, level of exclusivity)
- Business planning (cash flow, value for money evaluation)
- Financial planning/management
- Understanding of transaction costs to concessionaires
- Land use planning (e.g., access, zoning)
- Conservation management
- Sustainability (economic, social, environmental)
- Environmental and cultural knowledge
- Environmental Impact Assessment (EIA)
- Stakeholder engagement
- Induction and training support for protected area staff involved in concession granting process
- Negotiation skills
- Advertising and marketing skills
- Legal knowledge and skills
- Analytical (e.g., evaluation of proposals, monitoring, and evaluation)
- Market evaluation (e.g., tourist and operator needs)
- Risk assessment
- Infrastructure support and maintenance (e.g., roads)
- Communication skills
- Protected area and organizational policy
- Conflict management
- Relationship management

- Project and concession contracts management
- Support services
- Monitoring and reporting (environmental, socio-economic, data analysis)

Table 6. Protected area staff capacities and skills needed in the concession granting process²

5.1.3 Attractiveness to investors

It is important to create a general assessment of how attractive and accessible a protected area might be to potential concessionaires, to establish whether there is likely to be a market demand for concession permits and licenses. Potential concessionaries will consider the uniqueness of a landscape, cultural and natural interest to tourists, accessibility by road, and the level of basic infrastructure (e.g., power, water, communications). If there are already economic activities in a protected area, this needs another set of actions, workshops, and discussions, as they need to start considering paying for ecosystem services that they use for free. Discussions with a few existing and potential tourism operators can be used to establish the level of interest at this stage.

5.1.4 Legal framework

The prerequisites for the concession granting process should be an officially adopted Management Plan. The Management Plan should include the zoning of a protected area, conservation goals, and educational and commercial targets for the protected area. The level of protection also indicates whether tourism is a priority or not. For example, according to management objectives of IUCN categories of protected areas about tourism, Strict nature reserves prohibit all types of tourism, on the other hand, Nature parks and National parks consider tourism as one of their objectives. Information on key stakeholders (such as local communities) that could either be beneficiaries or concessionaires and who need to be consulted during the process should also be described. At this point, relevant regional and national policies and laws should be consulted to confirm that the framework of a Management Plan and other related laws and regulations are in place and that there are no major gaps or conflicts between them.

5.1.5 Creating a Strategic plan

The scoping phase should conclude with a simple Strategic plan for concession granting process, which provides the context for the whole process. This document summarizes the findings of this phase and specifies additional information that will be needed during the subsequent phase of concession permits and license identification.

5.2 Concession permits and licenses identification

This phase builds on the scoping phase to establish how the tourism concession granting process will look like, including available sites, legal requirements, and stakeholder engagement process. Depending on the type of concession permit or license, a simple cash flow, a small business plan or a CBA can be developed at the end of this phase. This is to ensure that the identified tourism activities are financially viable and beneficial for both protected area and concessionaires.

5.2.1 Protected area and site identification

At this stage, protected area managers should identify sites within a protected area that are attractive and accessible enough for concessionaires and tourists but also consider the conservation objectives. Criteria for identification of the most suitable sites should include natural and cultural features, environmental sensitivity to tourism, social issues (e.g., local communities), and land ownership.

5.2.2 Legal assessment

A legal assessment is needed to establish whether the conditions are viable for tourism concession permits and licenses, at the national and protected area level.

At the national level, protected area managers (or outsourced legal persons) should check all existing national legislation that allows and defines concession granting process within a protected area, but also consult legislation that deals with special types of economic activities (e.g., in Croatia, Law on the provision of tourism services, Law on freshwater fisheries) as these laws have regulations that need to be in line with concession granting permits and licenses process, if applicable.

At a protected area level, the ownership of the land where tourism activities will occur needs to be identified. For certain economic activities, such as kayaking on the river where entrance and exit points need to be defined, it is important to determine if the land is national/regional/local or is it private. This will define where certain activities can take place, or where infrastructure can be built or placed. Protected area managers should identify the authority responsible for the site that will be used in the concession granting process for them to authorize the process and describe the legal procedure for land applications and approvals.

5.2.3 Stakeholder engagement

The concession granting process does not exist without relevant stakeholders that need to be actively involved from the beginning and take regular part during the whole process. Their perspectives, knowledge, and ideas should be an integral part of the concession granting process. Relevant stakeholders and beneficiaries should be identified and mapped. They may include institutions and representatives from the government, protected area authorities, the private sector, local communities, civil society organizations, the academic community, and the development community. For each stakeholder, it should be decided what level of stakeholder engagement is appropriate (i.e., inform, consult, involve, collaborate, or empower) and what mechanism to engage and communicate effectively. Stakeholders should be included through meetings, site visits, or through media (Picture 2 and 3). It is important to understand their needs and how they see the space and the whole process in general, as well as consult them and get their feedback on the milestones. They should feel included and heard, and their opinions respected, as mostly, they are the ones who know more about a certain topic than protected area managers. Special attention should be given to local communities that may be affected by future concession permits and licenses. Alongside protected area staff, they should be the ones mostly consulted about future tourism activities that might take place and how it will affect them, in both, positive and negative ways, and what is their opinion of it. Negative impacts should be taken with special care and try to find ways to mitigate or avoid them.



Author: Mihaela Mesarić

Picture 2. and 3. Stakeholder engagement



Author: Roberta Radović

5.2.4 Design of a concession granting process

At this point, protected area managers should define of the type of legal instrument used in the concession granting process for a specific economic/tourism activity (Table 2).

Furthermore, they should decide what type of partnerships would be eligible for the concession granting process (according to the applicable law, as well) (Picture 1).

Tourism product types, i.e., economic activities offered to potential partners need to be defined. These should be compatible with the protected area Management Plan. Last, but not least, the concession permit, or license duration should be defined and set. In some countries, there is a maximum duration set by law, but at the beginning of the process, it could also have a duration of fewer years for both concessionaires and park managers to get acquainted with the process. Normally, duration of concession permits and licenses should be correlated with the level of risk that the investor is likely to be taking (e.g., investments they need to secure).

5.2.5 Feasibility assessment

A situational tourism analysis should be undertaken through a literature review and consultation with identified stakeholders within authorities and the private sector. The analysis should focus on supply and demand assessment to establish a baseline:²

Demand: Information on national and destination statistics on numbers of arrivals, source markets, demographics, length of stay, expenditure, occupancies, type of accommodation used, destinations visited, activities undertaken, trends, and development objectives of the protected area manager.

Supply: Information on existing and competing accommodation (including number, type, capacity, quality, rates), tour operations/guides, restaurants, transport, information, planned new tourism products, attractions, and competing destinations and products.

This should be discussed with identified stakeholders, who can also give feedback to potential sites that will be part of the concession granting process, considering the situational analysis of tourism. At this point, it can also be discussed if the proposed protected areas, sites, and product types are of interest to them, whether they would be willing to take part in the concession granting process, and what they would invest and incorporate into their everyday business model.

Setting fees: The fee-setting process should be transparent, fair, and consistent. Ideally, it should be about balancing the amount the partner will gain from using the protected area (a public asset), and the amount the protected area earns in return. It should be explained to potential concessionaires that the concession permit or license fee is a business expense like rental for a property, land use, etc., and that they can include it while forming their prices for a certain tourism product. After all, they use valuable natural and cultural resources for their business. It is also important to earmark, that all the revenue from the concession permits and licenses fees should be returned to the protected area through infrastructure development, conservation measures, or community benefits. Fee options can include:²

- **Supply-driven fees:** where protected area authority proposes a minimum fee and offers this to the market through a competitive bidding process (e.g., call/tender)

- **Market-driven fees:** they come from unsolicited applications, where a proposed fee is offered to protected area authority. It can be accepted, negotiated, and then agreed upon
- **Revenue-based fees:** fees set as a percentage of gross revenue the concessionaire generates. This requires strong inspection and auditing rights of a protected area authority.
- **Per-unit fees:** used where protected area authority wishes to charge a fixed fee per unit of use year. These are easier to administer by the protected area authority but need to be set on realistic valuations of the opportunity
- **Fixed fees:** used for smaller concession permits and licenses, when the expected income is likely to be low
- **Combinations could also be possible**, e.g., fixed fees combined with revenue-based fees, etc.
- **Nature conservation supporting fees:** for economic activities that are encouraged for their beneficial effects on nature conservation, a symbolic fee (e.g., 1 euro) can be proposed
- **No fees:** where there is no fee for concession permits and licenses, but concessionaires are obliged to provide a proportion of their revenue to the local community through the established Committee

When setting fees, it is important to earmark an acceptable internal rate of return covering risks and costs associated with concession permits and licenses management in the protected areas. Also, a note to remember, the tourist operator must be able to make a profit for the tourism operation to be viable. This leads us to the final chapter of the concession permits and licenses identification phase.

5.2.6 Commercial viability for investors and value-for-money for protected area authority

Where possible, with available time and financial and human resources, it would be advised to calculate whether the tourism concession permit or license is likely to be commercially viable, by developing a simple cash flow projection, small business plan or CBA for a hypothetical concessionaire, and with a realistic minimum concession permit or license fee. This projection will help to avoid unrealistic expectations and, if relevant, set a realistic minimum concession permit and license fees. This should be done in close consultations with tourism operators defined as stakeholders.

As for protected area authority it should be established whether the concession permits and licenses fees will provide value for money for the protected area. The likely revenue that will be generated for conservation, job creation, and infrastructure investment from concession permits and licenses fees should be compared with alternative options (e.g., in-sourcing) or doing nothing. Importantly, these revenues should be taken into consideration thinking of the

associated costs of the procurement process and managing a concession permit or license agreement.

At the end of this process, a simple cash flow, small business plan or CBA should be drafted, depending on the dimension of the tourism activity and the proposed concession permit or license and should clearly describe important elements of the concession granting process (Table 7).

- Goals and objectives of concession granting process
- Products and services to be developed, ensuring that they are compatible with the environmental and social sensitivity of the destination
- Chosen concession permits and licenses) with roles and responsibilities of the protected area authority and concessionaire, and relevant institutional arrangements
- Chosen partnerships (e.g., private sector, NGO)
- Industry and market analysis, including supply and international, regional, and domestic demand, as well as competitor and risk analyses
- Development impact, in terms of revenue generated, jobs created, investment mobilized, 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
- Project schedule, including any phased approach to releasing opportunities, the life cycle of each concession permit and license, including call/tender process, duration, and finalisation
- Marketing plan, including product, price, promotion, and place and roles of different agencies
- Financial plan and projections, including best, average, and worst-case scenarios
- Critical risks and assumptions (i.e., financial, political, environmental, social, reputational, and market), and a mitigation plan
- Monitoring and evaluation of the concession granting process

Table 7. Proposed contents of a small business plan or CBA for concession granting process²

5.3 Call/tender and contracting

In this phase, the preparation of the call/tender documents for concession permits or licenses and finally, the signing of the contract as the outcome, are on stage. A drafted cash flow, business plan or CBA from the previous step can be the backbone of this phase.

5.3.1 Call/tender process

While drafting the call/tender documents, protected area managers should consult the business plan or CBA developed in the previous step. It is important to define what type of tourism activities require what type of legal instrument (Table 2). This will further define the scope of the call/tender documents. The call/tender procedure should think of including the following:²

- **Description of the concession permit or license package offered to potential concessionaries.** This includes elements of the business plan (Table 7) and the project schedule (i.e., call/tender process, concession permit or license duration, legal requirements to be fulfilled).
- **Agreement on the plan for the call/tender strategy to be used.** Detailing what type of call/tender is offered – open tender, unsolicited bid, direct negotiation.
- **A plan for reaching out to investors.** How protected area managers plan to inform potential concessionaires about the call/tender for the concession permits or licenses (e.g., website, social media, launch events, direct communication).
- **Production of promotional materials.** This can be done to further inform potential concessionaires on the concession granting process. It can also include technical information to ease the process, such as relevant policies and laws, sustainability priorities, construction permit costs and procedures, and licenses required.
- **Development of bidding documents.** Bidding documents that include a tender manual (i.e., rules and procedures), adverts (e.g., for Expressions of Interest, if the protected area managers want to understand the level of demand), prequalification and screening checklist, request for proposals (RfP) with non-disclosure agreements and a screening checklist, and a draft contract. The bidding documents can also be designed to encourage potential concessionaires to propose how they will provide benefits for conservation and local communities through equity, employment, and procurement. These proposals are reviewed in conjunction with a financial bid. For successful bidders, their environmental and empowerment proposal targets can be integrated into a contractual agreement and can be monitored. Bidders are also informed about the Q&A section of the procurement procedure and should be provided with all the info needed (including site visits). They can also be asked to create their own cash flow, business plan, or CBA, depending on the dimension of the tourism activity.
- **Agreement on the bid evaluation committee.** The evaluation criteria that will be used when the evaluation occurs, and the roles of its members. The committee should sign confidentiality agreements and recuse themselves from the process if they have a conflict of interest.

5.3.2 Contracting

Once the concession granting documents are out, proposals received and reviewed, the selection decision with a detailed description of the bidding process is provided. If there are no objections, the selected concessionaires are invited to sign the concession permit or license contract. Elements of a typical concession permit or license contract should be the following, of course, where applicable – listed in Table 8:

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Nature and scope of the concession permit or license rights (e.g., geographical area, description of services) • Precedent conditions for entry into force • Duration of contract • Nature of property interests of parties in the concession permit or license assets (e.g., right to use an area or infrastructure) • Maintenance of concession permit or license assets (road maintenance, access, etc.) • Fees payable (including, the process for adjustments and reviews) • Performance guarantees (e.g., service levels, occupancies) • Nature protection conditions • Monitoring, and evaluation, with Key Performance Indicators, and template contract compliance checklist • Insurance policies | <ul style="list-style-type: none"> • Limitations of liability and indemnification of the protected area authority • Force Majeure (i.e., damage or destruction due to forces beyond the control of parties) • Environmental impacts during construction, operation and commissioning • Socio-economic contributions (e.g., local equity, employment, procurement, social projects) • Change in the law • Breach and cancellation processes • Dispute settlement provisions • Circumstances that a third party or the protected area authority could take over the operation (e.g., temporarily if there is a serious failure) • Taxation and other fiscal matters |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Table 8. Elements of a typical concession permit or license contract²

5.4. Contract Management

In this last step of the concession granting process, contract monitoring and enforcement will be detailed, as well as potential challenges and ways to mitigate and manage them. As concession permits and licenses contracts can last for a certain period (e.g., 5 years), and protected area staff can change in that time, it is important to ensure succession planning and transfer of skills and knowledge between protected area staff to ensure continuity and sustainability in the concession granting process.

5.4.1 Contract monitoring and enforcement

All contracts must be monitored and enforced by the protected area staff for compliance. Certain challenges may arise and have to be addressed and mitigated in time. Table 9 lists potential challenges and options to address them.

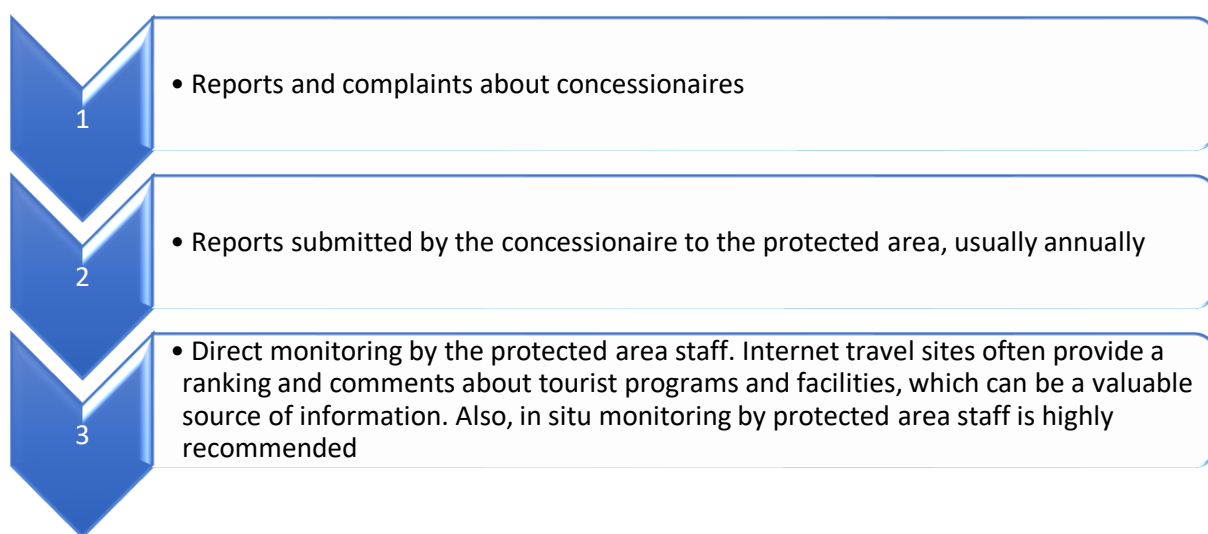
| Issue | Challenge/example | Options to mitigate |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Capital investment in facilities | Most protected area authorities want short-term contracts to maximize protected area flexibility. Most concessionaires would opt for long-term contracts to maximize business development and return on investment. Concessionaires are not willing to invest money into protected area-owned facilities in the last years of a contract. They prefer to | A balance of those two tensions often results in contracts of 5 years or longer. Higher levels of investment can give longer periods of the contract. Give concessionaires a special dispensation for capital maintenance and improvements. The concessionaire |

| | | |
|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>transfer this maintenance liability to the protected area, expecting protected area manager to repair the facilities after the contract is over.</p> <p>Picture 4 shows some of the typical problems with long-term contracts.</p> | <p>keeps detailed records of all capital costs.</p> <p>Require that the concessionaires undertake routine maintenance and prove that this has been done.</p> |
| Responsibilities of concessionaires for general protected area management | <p>Concessionaires argue for a narrow interpretation of their responsibilities within the contract. They wish to avoid involvement in activities that are beyond their specific focus.</p> | <p>Income from the contract given to the protected area should be sufficient to cover a range of protected area management activities.</p> <p>Monitoring activities for nature protection conditions should be clearly defined and easy to implement.</p> |
| Concessionaire staff members | <p>Concessionaire staff members are hired to provide a specific service, such as selling products in a store or renting equipment. They may have a weak understanding of protected area policy.</p> <p>Inappropriate activities by staff, such as illegal harvesting or provision of incorrect information.</p> <p>Housing for staff.</p> <p>Low wages, encouraging illegal activities (e.g., theft).</p> | <p>Protected area policy training for concessionaires and their staff members.</p> <p>Clear guidelines combined with monitoring, evaluation, and enforcement.</p> <p>Construction and maintenance of specific facilities for this purpose, or transportation of staff to and from the concession permit and license site.</p> <p>Proposals stipulate wages to be paid, and reviews ensure that these are fair, living wages.</p> |
| Poor service delivery | <p>Poor service delivery can be identified when visitors report that services are below acceptable standards (e.g., incorrect information, unacceptable or dangerous situations, and rude staff).</p> | <p>Processes to identify and remedy such problems are detailed in the contract.</p> |
| Legal liability | <p>All users of a service, facility, or product have an expectation that they will not be harmed or injured. The direct service provider has legal liability and can be held accountable by the courts. However, those who provide the contract or the license also have some legal liability and may be held responsible.</p> | <p>Liability insurance should be in place for both the concessionaire and the protected area authority.</p> |
| Pricing policy | <p>Concessionaires may provide services that vary from consumer products to personal guidance.</p> | <p>The contract policies on pricing need to be outlined.</p> |
| Search, rescue, and medical services | <p>One of the most contentious aspects of such services is the provision for recovering costs for search, rescue, and medical services. For those who defy the rules, such as going off designated tracks into dangerous areas, it is reasonable to demand that those people pay the full costs. However, it can be hard to collect such fees. There have been cases where lost and injured tourists avoided</p> | <p>All protected area requires some level of search and rescue services. The provision of these services can use a range of administrative options, including specially trained protected area staff, specialized volunteers, and other government agencies such as police or the military or local community medical and fire services. The provision of such services must</p> |

| | | |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | rescuers because of fear of the financial costs that they might incur. | be planned for and provided through contractual arrangements. |
| Relationship management | Successful partnership relationships are between people, and so individual attitudes are an important part of building trust between contracted parties. | All parties need to approach the project with a collaborative attitude. Using externally facilitated team-building workshops, open communication, and good lines of communication contribute to this. |
| Political interference | Challenges include bottlenecks in decisions/approving development plans, political interference in the process (i.e., pressure to accept one bid over another), concession permits or licenses fees going to central government coffers rather than conservation and visitor mitigation, and interference in tourism operations by communities. | Transparency helps avoid many problems. However, much outsourcing law requires the contracts to be kept secret, creating a challenge for avoiding secret deals. Appropriate benefit-sharing plans should be in place from the beginning. |

Table 9. Potential challenges with contracts, and options to address them²

There are three aspects of contract monitoring:





Picture 4. Typical problems with long-term contracts

It is difficult for a protected area staff to ensure that concessionaires accurately report tourism volumes and revenues. There is often a financial incentive for concessionaires to underreport when there is a per unit charge, such as a per person financial return to the protected area. It is often valuable for the protected area managers to develop an independent method of measurement of tourism volumes, such as monitoring traffic flows for the required service offered, and independent audits of revenues flowing through a contract.

Many concessionaires are not open to ongoing monitoring of their operations, causing a concern that the concessionaires are not honestly reporting their business activities. There is a suspicion of two sets of books, one for the concessionaire and one for the protected area authority. A positive way to do this is through independent auditing of all concessionaires financial activities and reports. Full transparency and public accountability in all stages of the contract is most advisable, however, in practice, it is difficult to implement.

The most serious problem is the bankruptcy of the concessionaire. This leads to the immediate termination of the contract. Protected area managers should have a contingency plan to deal with such situations, such as other parties ready to step in to maintain the product or service. Picture 5 shows some of the issues concerning contract termination.

Non-compliance with contract stipulations must be dealt with through the procedures outlined in the contract. When a serious issue of non-compliance with the contract is detected, decisions must be made as to the protected area management response. Most contracts contain stipulations that outline the steps to be taken in the case of non-compliance, and these must be followed. Where applicable, appropriate penalties for non-compliance also need to be established and documented. In all cases, the involvement of the protected area's legal department must be utilized. Court actions may result and be expensive. This expense might lead to poor compliance enforcement, thereby nullifying the needs and management issues included in the contract.

All contracts terminate at the end date stipulated in the contract, to cancel with a specified notice period, or through cancellation due to non-performance. A key issue concerns the policies for contract renewal. Some protected area authorities find it useful to offer existing

concessionaires contract renewal, in the absence of a new tender process, if the ongoing monitoring found no major contract violations during the previous term of the contract. This policy can be useful for the protected area authority in avoiding costly tendering processes and the uncertainty of operating with a new concessionaire. However, it has been criticized for not ensuring public certainty of transparency in operations, also, when a law stipulates that protected area authority have to have an open tender, this has to be followed.



Picture 5. Key issues concerning contract terminations

6. Conclusion

The concession granting process is a serious and time and human resources-consuming process. It should be done with understanding, good preparation, and consultation workshops with all relevant stakeholders. These Guidelines are set to help the process so that protected area managers can use the most out of it, and, at the same time, be in line with their national and internal legislation and documents.

For sure, there is no panacea, a solution to fit all protected area managers in the concession granting process. However, with good preparation and a transparent process, protected area managers ensure the concession granting process is done meticulously. In this way, certain beginners' problems can be avoided as well as stressful situations.

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