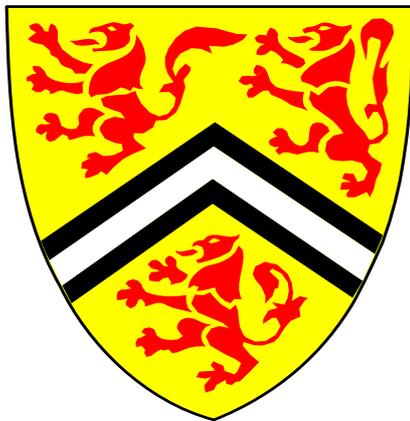


Guidelines for Planning and Management of Concessions, Licenses and Permits for Tourism in Protected Areas

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Table of Contents

<i>Table of Contents</i>	2
Chapter 1: Background to Park Tourism Concessions	7
1.0 Introduction: Planning and Management of Concessions	7
1.1 Concessions: The Need for Guidelines	10
1.2 Services provided by Park Agency or Concessionaire?	11
1.3 Basic considerations in drawing up and letting contracts	13
Detailed points to be considered in relation to contracts	14
Leasing vs. Ownership	14
Rights and Responsibilities	15
Fees	15
Monitoring, Incentives and Enforcement	16
Role of Local Communities in Concessions	16
1.4 Choosing the Concessionaire	17
Bidding Concession in Protected Areas	17
Public Notice	18
Prospectus	18
Components of Bidding	19
Selection of the Best Bid	19
1.5 Qualifications of Concessionaires	20
1.6 Elements of the Contract	21
Setting of Rates	21
Payment of franchise fees	22
Capital investment	24
1.7 Monitoring, Enforcement and Re-evaluation	24
Penalties for non-compliance	25
Conditions for contract suspension and termination	26
1.8 Developing Environmental Protocol for the Infrastructure	26
Environmental Guiding Principles in the Planning Stage	26
Environmental Guiding Principles during the Development Stage	27
Environmental Guiding Principles during the Operation of Concessions	27
Chapter 2: Concessionaire Expertise	29
2.0 Introduction	29
2.1 Expertise Needed by Tourism Contractors	29
Business Planning	29
Regulatory Obligations for Concessionaires	30
Laws and Regulations	32
Environmental Practices and Programs	33
Product Selection	33
Pricing	34
Payment	34

Concessions, Licences and Permits

Insurance	35
Staff Qualifications and Training	36
Cultural and Environmental Education for Visitors	36
Customer Service	37
Reporting and Record Keeping Requirements	38
Staffing and Human Resource Management	38
Housing and Staff Incentives	39
Utilities and Services	39
2.2 The Process for Securing a Business Contract with a Protected Area Agency	40
Chapter 3: The Gifts and Handicrafts Sector	41
3.0 Introduction	41
3.1 Introduction to the Gifts and Handicrafts Sector in Protected Areas	41
3.2 Objectives for the Opening of the Gift and Tourism Retail Outlets	42
3.3 Suggestions for the Introduction of Gift and Retail Outlets	43
3.4 Actions for Gift and Tourism Retail Concessions	44
Preparing for the Tourism Retail Development	44
Planning the Development of Gift and Tourism Retail Concessions	45
3.5 Regulating the Operations of Gift and Tourism Retail Concessions	46
Monitoring and Evaluation of the Gift and Tourism Retail Concessions' Operations	46
Consultation and Communication between Park Agencies and Concessionaires	47
Chapter 4: The Accommodation Sector	48
4.0 Introduction: The Accommodation Sector in Protected Areas	48
4.1 The Green Trend in the Accommodation Sector	48
4.2 Visitor Management in the Green Accommodation Sector	49
4.3 Eco-labelling and Eco-labelled Accommodation Facilities and Properties	50
4.4 Definition of Terms	50
4.5 Planning Concession Businesses for the Accommodation Sector	51
4.6 Forms of Concession for Accommodation Properties and Facilities	52
1. Leasing	52
2. Franchising	52
3. Management contracts and technical assistance agreements	53
4. Equity participation shares	54
4.7 Qualifications of Concessionaires	54
4.8 Typologies and Categories of Accommodation	55
4.9 Typologies and Categories	57
Resort Hotels	57
Ecolodges	57
Guest Houses and Bed and Breakfast (B/B) Facilities	58
Second Home and Time-share Ownership	58
Campsites and Trailers	59

4.10 Strategic Operations and Management of Concession Accommodation	60
4.11 Cooperative Roles in Management	61
Hours of Operation	62
Books and Records	62
Localization and Training	62
Marketing	63
The Setting of Rates	63
Marketing and Promotion	63
The Reservation System	64
4.12 Monitoring, Evaluation and Control of Accommodation Concessions	64
Monitoring	64
4.13 Best Environmental Practices	67
<i>Chapter 5: Transportation</i>	70
5.0 Introduction	70
5.1 Statement of Goals and Objectives	71
5.2 Fees in Transportation	72
5.3 Summary	72
<i>Chapter 6: Food Sales and Restaurants</i>	74
6.0 Introduction and Typology	74
6.1 Management	75
6.3 Sanitation, Health and Safety	77
6.4 Environmental Concern and Waste Management	77
<i>Chapter 7: Tourism Guiding and Interpretation</i>	80
7.0 Outfitting Guide Management	80
The Role of Outfitting Guides	80
Outfitting Guide Responsibility	80
Need Assessment/Feasibility Studies	81
Guide Licencing	83
7.1 Choosing the Best Guide and Outfitter	84
Submitting an Application	84
Choosing Between Outfitting Guides	84
Issuance of Permit to the Guide	85
7.2 Evaluation of Guide and Outfitting Performance	85
Inspection of Performance	85
7.3 Concession and Licensing Fees for Guides and Outfitters	87
7.4 General Tour Guide Management	87
Objectives of Tourism Guiding	87
Code of Conduct	88
Guide Licensing	88
Responsibilities of Tour Guides in Protected Areas	88

Concessions, Licences and Permits

Expertise of Tour Guides for Protected Areas _____	89
Training _____	90
The Rationale of Training _____	90
Principles for the Training Process _____	90
Principles for Curriculum Content, Training Approach and Methods _____	91
7.5 Guide Remuneration _____	92
7.6 Liability Insurance _____	92
<i>Chapter 8: Research Recommendations</i> _____	93
Recommendations for Research on Existing Concession Management _____	93
Recommendations for Research on Policy, Planning and Trends _____	94
<i>References</i> _____	97
<i>Appendix A: Concession Glossary</i> _____	103

Chapter 1: Background to Park Tourism Concessions

1.0 Introduction: Planning and Management of Concessions

Park tourism involves the provision of a wide variety of services to visitors, from food sales in stores to overnight accommodation and from tourist guides to recreational equipment. In order to better understand the concept of land conservation and tourism provision Eagles (2008) suggested considering three important concepts separate from each other: land ownership, the source of the money for management and the identity of the tourism provider. He identified three alternatives for resource ownership for parks and protected areas: 1) a government agency; 2) a non-profit institution; or, 3) a for-profit corporation. There are three broad categories of sources of income for parks and protected areas: 1) societal taxes; 2) user fees; and, 3) donations. There are four alternatives for the management institution: 1) a government agency; 2) a parastatal, which is a corporation owned or wholly controlled by government; 3) a non-profit corporation; or, 4) a for-profit corporation, either public or private. This approach leads to 36 possible combinations, of which 7 are commonly used.

Eagles (2009) suggested the addition of an additional institution, a community, as an owner and as a management institution. The four ownership types, the three sources of income, and the five management bodies led to 60 combinations. He then outlined the current status of governance of the 8 most commonly used combinations. These 8 combinations were labelled as:

- 1) National Park;
- 2) Parastatal;
- 3) Non-profit;
- 4) Ecolodge;
- 5) Public and For-profit combination;
- 6) Public and Non-profit combination;
- 7) Aboriginal and Government; and,
- 8) Traditional community.

Concessions, Licences and Permits

Any of the five alternatives for the land owner: 1) a government agency; 2) a non-profit institution; 3) a for-profit corporation; or, 4) a community, may decide to outsource visitor and tourism provision to another party. This outsourcing could go to any of the following management institutions 1) another government agency; 2) a parastatal, which is a corporation owned by government; 3) a non-profit corporation; 4) a for-profit corporation, either public or private; or, 5) a community. Therefore, the critical decision for any owner of conservation land concerns either in-sourcing or outsourcing.

Outsourcing involves the transfer of the management of an activity or service to an external provider. The client organization and the supplier organization enter into a contractual agreement that outlines and defines the products and services. Under the agreement, the supplier undertakes the production, often after the transfer of people, assets, land and other resources from the client. The client agrees to procure the services from the supplier for the term of the contract. Business segments typically outsourced include information technology, human resources, facilities, real estate management, and accounting. It is very common in recreation and tourism.

During in-sourcing the land owner accepts the responsibility of managing visitor and tourism services. During outsourcing, the land owners decide that some other management body is more appropriate for the task. On what grounds might this decision be made? In the following section we will outline some of the common reasons for outsourcing.

Owners may outsource tourism services in order to escape from onerous labour contracts. The owners typically seek more flexible working conditions and lower labour costs. Government unions may demand payments for over time that makes park tourism services quite expensive, for example.

Owners may outsource in order to gain access to specialized expertise that is not currently available internally. It may be cheaper to have the other party provide specialized expertise when needed.

Owners may wish to insure a higher level of quality of the provided services and products than would occur with in-sourcing.

Some land owners, such as government agencies, have difficulties gaining access to capital funds. They therefore must go to other groups that have better financial access.

Concessions, Licences and Permits

Some land owners do not want the high liability exposure that may come from direct provision of tourism services. Outdoor recreation is often a high risk activity that provides a high liability exposure to the provider. Outsourcing can transfer this liability exposure to the outsourcing body.

Some bodies find that they have more control over the services provided by a third party than over those provided internally. This control is assured because of detailed contract stipulations.

Some government agencies do not have the financial capability to operate like a business. For example, many agencies must return all income to a central government agency. Even if they can retain income, they often do not have the ability to retain income over the fiscal year end. They rely on government grants to provide services. This system is notoriously incapable of responding to changes in demand. This system forces the government agency to outsource to another body that has more flexibility.

Outsourcing locally may be done to provide a local economic benefit. For example, a management owner, such as a national park or an ecolodge, may wish to stimulate local support. This can be done by ensuring that economic benefits of jobs and contracts are provided locally.

Therefore, the key to design of an outsourcing process is the clear identification of goals that are to be achieved. The design of the contract will depend upon these goals.

The outsourcing agreement provides for the delivery of specified tourism services in the protected area under a permit and legal contract. Most government agencies require operators to have a license to operate a business in the park, such as hotel management, or food store operation. The license may be exclusive, with no other similar licensed operation permitted, or non-exclusive, when other operations are also allowed.

Private sector involvement in tourism and recreation in public protected areas is most commonly related to:

- Accommodations, including campgrounds;
- Tour operations;
- Waste collection;
- Transit;

Concessions, Licences and Permits

- Facility and site maintenance;
- Food provision; and,
- Information provision.

For the remainder of this document the assumption is made that the land owners is a government agency. Therefore, it is this agency that seeks a third party operator to provide some level of recreation and tourism services. Many of the principles discussed are valid for other land owners, such as an NGO or a profit-making company, but they are outlined as if the land owner is government.

1.1 Concessions: The Need for Guidelines

Management of concessions, licenses and permits is one of the most important and most time consuming activities of conservation and park managers. There is a rapidly emerging literature in the field of outsourcing, but virtually none of direct relevance to land owners who have conservation objectives for their properties. In addition the vast majority of conservation owners have little or no training in the business practices involved in tourism and recreation generally and in outsourcing of these services specifically.

Virtually every park agency undertakes outsourcing management, but there is little sharing of knowledge and experience in this field. There is a paucity of literature available to help managers in this activity. There are no guidelines available to help park managers in the choice and management of tourism concessions. A concerted effort is needed to analyze the options available, the successes and failures of various approaches, the management skills necessary, and the most desirable methods in various circumstances. Such information needs to be made widely available to park managers. The North American members of the World Commission on Protected Areas directed that such guidelines be developed in their meetings in 1997 in Banff National Park in Canada. The Guidelines for Sustainable Tourism in Parks and Protected Areas co published by the IUCN, UNEP and WTO as one contribution to the UN Year of Ecotourism in 2002 recommended the development of such guidelines (Eagles, et. al. 2002).

This document is a first attempt at outlining guidelines for park tourism concessions. The document provides information on: selection procedures, managing contracts,

enforcement and the special needs of concessions for accommodation, guiding, retail, food and transport. It is hoped that these draft guidelines can serve as the basis for a research effort directed towards establishing a knowledge base for the development of more complete and publishable final guidelines. The overall goal is to produce global guidelines for the planning and management of park tourism concessions.

1.2 Services provided by Park Agency or Concessionaire?

The first question that must be answered by park managers concerns how park tourism services can be delivered. Should they be owned and operated by the park agency, or by some combination of the park agency, non profit and for profit organizations? A careful analysis of the goals of the program will structure the goals for any outsourcing contract.

If the decision is made to involve another party, the second issue involves the types of involvement. Should it be through a concession, a license, a permit, or some combination of these tools?

A third issue involves whether the contract is competitive or exclusive. An exclusive contract means the contractor has a monopoly over the service. This typically involves a concession for a major facility such as a campground or a food store, where the contractor makes a major capital investment and demands exclusivity in order to better recoup the investment. A competitive contract, typically involving a license, means that many different organizations will offer the same service and will compete with each other for the clients. Presumably all operations will require permits, provided under the overarching park law.

To address some visitor needs, it often makes good sense for park agencies to seek private sector assistance by means of a concession, license or permit. The choice will be influenced by the protected area's internal capacities as well as by many external factors. The former involves an assessment of the strengths and weaknesses of the legal structure, human resources, and financial resources within the agency. The later includes legal structures such as taxes, subsidies, land tenure and zoning regulations, as well as the social, cultural and political context of the protected area.

For the assessment of feasibility, the PA agency should identify the various constraints and underlying assumptions of the option. In particular, before the decision, it is important to fully understand the complexity of the legal mechanisms, the risks associated with its implementation, the levels of human and capital investment needed to make it work, and so on.

In deciding whether or not to use any particular approach, the park agency first needs to consider the following:

1. *The capacity and legal powers of the protected area agency.*

Park managers may lack the skills, economic, and organizational resources to manage and develop tourism facilities effectively. For example, the park agency may not be able to retain income, and therefore is in a very poor position to operate tourism operations that involve fee collection. However, an agency that has a legal structure comparable to a parastatal or a corporation may be able to operate most facilities itself. For example, the Niagara Parks Commission, Ontario, Canada, operates virtually all the protected area facilities (e.g. stores, restaurants, attractions and financial institutions) that occur on its land (Eagles, 1993). Where there is money to be made, this agency ensures that the profit is used to cover general operating costs.

2. *The strengths of the private sector.*

There are several reasons why the private sector may be well placed to deliver specialized services and products to a government agency:

1. It is more easily able to adapt to changing markets needs and conditions;
2. It often has more flexibility in labour contracts;
3. It is often freer to innovate and respond quickly;
4. It can more easily raise capital and other funds;
5. It has more freedom in setting price levels; and,
6. It is not hedged around by the constraints of government policy.

3. *The income foregone to the park agency.*

Though contracts can be a revenue-generating tool for protected agencies, all profit made by the contractor is potential income foregone by the park agency. An alternative is to structure the park agency along business-like lines, such as that of a parastatal. Therefore, a concession contract may result in a potential income loss to the park agency.

4. *The suitability of the operation for a concession.*

The private sector can often respond quickly to a tourism demand by offering a service, but it is normally only interested in operations that provide sufficient financial returns. So it may not want to operate during low visitation periods, or to provide services at average prices. The protected areas' management will often need to subsidize an unprofitable, but essential operation.

5. *The suitability of non-profit sector concessionaires.*

Contracts can be let to NGOs, such as park's Friends Groups, or to a local community group. This arrangement enables these groups to derive direct benefit from the economic opportunities created by the existence of the protected area. It may however be necessary for the protected area agency to support the NGO or community group by helping to build capacity, e.g. by providing training in business skills and startup finance.

1.3 Basic considerations in drawing up and letting contracts

From the point of view of a park agency, the goal of a contract is to further the goals of the park, to provide access to the heritage resources in a way that is compatible with the legislation, and to provide for certain needs of visitors. Therefore, it is important that the contract detail the services required, their timing and their quality.

The following are among the more important issues that protected area managers need to take account of in drawing up contracts:

Concessions, Licences and Permits

1. It is necessary that the contract staff members are suitably trained.
2. There are many operational details, such as hours of operation, the range of services, and the level of service that must be outlined in the contract.
3. A fundamental issue is that of pricing policy. In some jurisdictions, it is recognized that the park concession has a monopoly and, therefore, regulation of prices is required. In others, competition is encouraged through the development of multiple concession operators in different locales in the park.
4. The arrangements for monitoring are important and should be specified in the license, along with the actions that will follow if the concessionaire fails to meet agreed standards.

The process for the choice of contractors is critical. The choice can become highly political, with scope for political interference and park staff self-serving behaviour. Therefore, selection procedures should be fair to all parties, open, transparent and neutral. Wherever possible, competitive tendering procedures should be adopted.

Detailed points to be considered in relation to contracts

Contractors prefer a longer-length license period in order to establish the business, earn sufficient return on initial capital investments and to earn maximum profits. Park managers often prefer a shorter tenure in order to maintain flexibility. Concessionaires often argue successfully for longer tenures when there are high capital costs associated with the contract. Agencies often consider that shorter timelines increase their ability to maintain controls over service quality and conditions of operation. The length of the contract must be long enough for the company to develop their procedures, explore the market and establish a solid business presence. However, the contract should not be too long, so as to avoid complacency. A term of from 5 to 10 years is often chosen with annual monitoring and evaluation of the contract performance.

Leasing vs. Ownership

Typically, the basic tourist facilities, such as the store or the campground, are owned by the protected area, but are leased to the private sector for a period of time, say five

years. Sometimes the infrastructure is constructed by the concessionaire, but becomes protected area property after a specified time. The infrastructure may be constructed by the concessionaire, donated to the park upon completion, and then leased back to the concessionaire. Tourism facilities owned by private enterprise under a form of land lease are often disadvantageous to park management, because of the weak ability of the protected area to manage the activities and behaviour of privately-owned facilities in a park.

Rights and Responsibilities

The concession or licence contract outlines the rights and responsibilities of each party. Issues covered in the contract include:

1. Minimum or compulsory trading hours,
2. Standards for customer service,
3. Environmental practices,
4. Pricing policy,
5. Public access to facilities,
6. Infrastructure maintenance responsibilities,
7. Signage,
8. Advertising,
9. Staff and operations accreditation standards, and,
10. Design of facilities.

It is important that the financial responsibilities of each partner, the concessionaire and the protected area, are sufficiently detailed in the legal documents. It is useful to measure performance of the contract at periodic intervals. Penalties for non-compliance must be clearly stated. There must be a procedure outlining the rules for cancellation of the contract due to non-compliance with contract stipulations.

Fees

Typically, the park receives a fee from the concessionaire. This fee can be in many forms. It can be a straight *annual set fee*. It can be a *flat fee* in conjunction with a *royalty*

or a percentage of concessionaire gross revenue. It could simply be a *percentage* of all revenue. The fee payable can be gradually increased over time. The fee can be structured to provide *incentives* for the concessionaire to operate at specific time, for example a lower fee in low volume periods.

However, at times the contractor will receive a payment from the park agency. This can occur during periods of low tourism volume. It can also occur if government policy requires very low tourism fees and charges, thereby prohibiting the contractor from earning sufficient income to cover the costs of operation.

Monitoring, Incentives and Enforcement

Contract management can be a major responsibility for protected area managers. Contractors sometimes ignore contractual requirements, even illegally constructing facilities in the park and operating businesses not allowed in their contract. Their employees may lack training and cause problems, such as theft and environmental damage. It is not uncommon for concessionaires to try to avoid contract rules by going to higher levels of government officials or influential politicians. Private operators may take a very short-sighted view of their interests, and show little desire to support other aspects of park operations, such as providing accurate information, assisting injured visitors or helping in emergency situations. Once a bad operator gets into place, it can be very difficult to terminate the concession contract. The enforcement of concession contracts and the policing of concessionaires can be very expensive and time consuming for park managers.

Role of Local Communities in Concessions

Local communities can play a beneficial role in concessions. As already noted, community concessions may be one way of helping to generate income, offset costs of lost access to resources, and thus helping to gain the support of local communities. In addition, local people are often excellent guardians of their resources, since it is *their* livelihoods that are at stake. Local businesses, too, may be used for services (such as certain operation and maintenance services) in a cost-effective manner for the protected area agency. It is also possible to share revenues with the local community, whether

derived from concessions or visitor fees. While this is not yet much done in developed countries, it has been quite widely used in parts of Africa for example. It is an important option for protected area management, which can contribute significant funds to the local community.

1.4 Choosing the Concessionaire

The process for choosing the concessionaire is critical to the success of the effort. The choice of concessions involves advertisement, bidding and selection stages of an overall process.

Bidding Concession in Protected Areas

The contracting-out of a concession normally involves many specific tasks, which generally calls for a corresponding period of led time to complete before proceeding to the next task. Figure 1 provides a quick checklist of such tasks and the time required for the fulfillment. Many of these tasks can be undertaken simultaneously. However, the process is complicated and is likely to take anywhere between 25 and 40 weeks to complete. If there are political or legal appeals affecting the process, it can take much longer. The cost of implementing concession application procedures can be large and are often not fully accounted for in the financial analyses of private-sector involvement.

Figure 1: Choosing Concessions: Tasks and Schedule (Havitz, M. 1999)

Tasks	Time Required
<ul style="list-style-type: none"> • Develop strategic plan and timetable 	<ul style="list-style-type: none"> • 4 weeks
<ul style="list-style-type: none"> • Draft the contract 	<ul style="list-style-type: none"> • 4-10 weeks
<ul style="list-style-type: none"> • Produce the specification 	<ul style="list-style-type: none"> • 8-20 weeks
<ul style="list-style-type: none"> • Prepare the Request for Proposals 	<ul style="list-style-type: none"> • 1-2 weeks
<ul style="list-style-type: none"> • Produce tendering instructions 	<ul style="list-style-type: none"> • 1-2 weeks
<ul style="list-style-type: none"> • Produce an information package for bidders 	<ul style="list-style-type: none"> • 2-4 weeks
<ul style="list-style-type: none"> • Advertise the request for bids 	<ul style="list-style-type: none"> • 1-2 weeks
<ul style="list-style-type: none"> • Prepare for and conduct bidders' meeting and site meeting 	<ul style="list-style-type: none"> • 2-4 weeks
<ul style="list-style-type: none"> • Receive proposals 	<ul style="list-style-type: none"> • 3-6 weeks
<ul style="list-style-type: none"> • Evaluate proposals 	<ul style="list-style-type: none"> • 3-5 weeks
<ul style="list-style-type: none"> • Research proponents' financial status and seek technical reference 	<ul style="list-style-type: none"> • 2-4 weeks
<ul style="list-style-type: none"> • Short-list the best proponents 	<ul style="list-style-type: none"> • 1-2 weeks
<ul style="list-style-type: none"> • Interview the short-listed proponents 	<ul style="list-style-type: none"> • 2-3 weeks
<ul style="list-style-type: none"> • Interview the short-listed proponents 	<ul style="list-style-type: none"> • 1-2 weeks

Concessions, Licences and Permits

<ul style="list-style-type: none">• Select the best proponent• Negotiate final details• Sign the contract• Implement the contract and monitor compliance	<ul style="list-style-type: none">• 1-2 weeks• 1-2 weeks• N/A• Length of contract
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Public Notice

In order to gain a wide selection of bidders, and to ensure equal opportunities to all potential bidders, the park agency first releases the project and prospectus news to the public by the means of media, such as newspapers, professional magazines, and electronic media. When the bid is highly valued, a press conference may be required. It is also important for the park agency to give the public sufficient notice time before the bidding budgets are finished, say three months, to make an investigation and undertake full contract comparison. It is important to have open, widespread and effective public notice procedure during the whole process from the invitation to bid, the selection of bidding proposals, through to awards of contracts.

To start a new concession, the public notice procedure may include the following steps:

- Advertising;
- Prospectus;
- Bid components
- Bid processes
- Selection processes
- Qualifications

The advertisement shall state the following:

- The name and location in which contracts are available;
- The type of service to be provided
- Information regarding how to obtain a bid information package;
- A general description of what the information package will contain; and,
- The deadline for submission of proposals to the department.

Prospectus

The more detailed the prospectus provided by the park agency, the more feasible the bid plan will be for the bidders. When making the prospectus, the park agency needs

Concessions, Licences and Permits

to conduct a need assessment, e.g. what is needed, the level of need, and what is not necessary. This forms a framework of assessing the bid value contributed by the bidders. The content of the prospectus is outlined below:

1. The physical location and the size of the operation;
2. The planning, designing and construction of the property required to help conserve the natural and cultural environment;
3. The layout and the service desired for facilities;
4. The market opportunity built on the park's future development;
5. The existing and the coming facilities provided by the agency;
6. The contract policy, agreement, and terms and conditions;
7. The requirements of initial investment, total investment expected and financial capability; and,
8. The requirements of bid plan (format, items, deadline, the references) and the selection procedures.

Components of Bidding

Often the following issues should be considered as the components of the bid:

1. The marketing strength and the target markets for the bid;
2. The pricing records and pricing policy;
3. The financial strength for the investment, loan and operation;
4. The financial arrangement and the budget for the plan;
5. The qualification of the bidder;
6. The contract length;
7. The expected requirements of the operation;
8. The timing of the operation;
9. The management performance and strength; and,
10. The partner share of responsibility for park promotion

Selection of the Best Bid

Typically, competitive bidding does the selection. In comparing the fees charged or paid by the concessionaires, it is essential to know which services are included in the management plan and which are not. The payment plan should also be compared by assessing the financial value. A matrix of requirements is given by the park agency. Bids

Concessions, Licences and Permits

are assessed according to a system of points for each portion of the bid. The bid that gains the most points is offered the contract.

The choice of the concessionaire is partially based on the qualification of the concessionaire. Typical qualifications include: previous experience in the field, financial capability, and qualifications of the company and the staff.

The selection factors for the proposals comprise principal factors and secondary factors. The principal selection factors may include:

- The responsiveness of the proposal to the objectives, as described in the prospectus;
- The impact of the proposal on the protection, conservation, and preservation of park resources;
- The responsiveness of the proposal to the objectives, as described in the prospectus, of providing necessary and appropriate visitor services at reasonable rates;
- The experience and background of the bidder, including the past performance in providing the same or similar visitor services;
- The financial capability of the bidder to carry out its proposal; and,
- The amount of the proposed minimum franchise fee, if any, and/or other forms of financial consideration to the Park Agency.

The bid winner is announced. The openness to the public helps to ensure the fairness of bidding and the consecutive monitoring and support from the local communities.

1.5 Qualifications of Concessionaires

Early in the bidding process the Park Agency may wish to collect prequalification information on potential bidders. The potential bidders can be asked to provide their performance profiles to the Park Agency 3 to 6 months before the bidding date, which allows the park agency to determine if the bidder has the necessary qualifications, including financial capability, to undertake the full bidding process. This is done to ensure that the time of the agency and bidders is not wasted through the creation of bids that can not be successful.

The following criteria may be used to assess the qualification of the concessionaire:

Concessions, Licences and Permits

1. Performance and experience in the relevant market – with a proved record of financially successful management;
2. Availability of qualified personnel;
3. Local reputation for sensitivity to local cultural concerns and environmental consideration;
4. High operational standards of the management system – including the specified corporation identification system, human resources policy and training ability, accounting ability, marketing strategy and the environmental concerns standards.
5. Financial standing;
6. Reputation for developing good partnerships or fair dealings; and
7. The ability to carry out the contract; and,
8. The value of branding. If the contractor has a well-known brand, such as I hotel chain, the existing brand will surely bring more benefits to the park agency.

1.6 Elements of the Contract

Setting of Rates

In practice, there are three options for the setting of contract rates:

1. The concessionaire is free to set all fees and charges according to market capacity.
2. The park agency sets all rates and charges.
3. A combination of the above two options.

The setting of rates by the contractor according to the willingness to pay by the public is simple for the park agency to administer. However, if the contract is in a monopoly position, for example the only food store in the park, the park agency will have to deal with complaints dealing concerning high prices. The complete freedom for concessionaires to set charges and rates allows them maximum flexibility. It also relieves the PA agency from doing the time-consuming work, but law in some locales may prevent this option.

The Park Agency may take the option to control prices by setting all rates and charges. This option is complicated, time-consuming work and therefore quite expensive for the agency.

Whichever option is chosen, the setting of rates and then the monitoring of rates, either through a systematic monitoring protocol or relying on visitor complaints as a form of monitoring, the issue of prices for services and products will be one of the most controversial management concerns.

Payment of franchise fees

A franchise fee is the monetary consideration paid to a Park Agency by a concessionaire for the privileges granted by a concession contract.

The concessionaire is normally required to pay a *concession fee* in recognition of the revenue generated from their activity, since these arise from the rights extended under the concession. Depending on the legislation and special circumstances, concession fees may be set at a market value. The market value is considered to *be the price a willing buyer will pay a willing seller for a concession opportunity*. In practice, almost all concession fees are set through one of the following general types of mechanisms (in descending order of usage):

1. By comparison to fees set for similar concession activities in similar circumstances, and in direct negotiation with the applicant;
2. By specific valuation of the opportunity, and in direct negotiation with the applicant; or,
3. By offering the opportunity on the open market.

The market is largely self-regulating. The relative supply and demand for and economic returns from different opportunities will tend to drive the price which buyers (applicants for concessions) are willing to pay for each type of concession. Exclusive concession opportunities tend to attract higher fees than non-exclusive opportunities. Importantly contractors will derive their income projections based on the information provided by the park in the prospects. Many disputes occur under such contract when the contractor feels that they were not provided with sufficient or accurate information in the prospectus.

In terms of deciding the amount of the concession fee, one approach is to formulae the fee directly linked to the income of the concessionaire. In this way, the concession fee represents a sharing of the income from the business, based on the notion that each

Concessions, Licences and Permits

party should receive an income in proportion to the investment it has made to the business. The site manager "invests" the land and other resources (on behalf of the taxpayer). The concessionaire invests capital and business expertise. Normally this outcome is achieved through formulae such as a percentage of gross Income, or a per capita fee in the case of tour operators.

Examples of market fee levels for commonly-issued types of non-exclusive concessions issued by The Department of Conservation in New Zealand include (all exclusive of Government Sales Tax – GST):

1. Guided tours = 7.5% of Gross Income (often set at \$x + GST per person per half day, and \$y + GST per person per full day),
2. Helicopter landing rights = 5% Gross Income,
3. Hotels, ski areas etc (lease of bare land only) = 3 to 5% Gross Income (IUCN, 2000, pp. 50)

The park agency typically prefers a short-term contract, at least initially, rather than a long-term contract. Some believe that long-term concession contracts remove the incentive to retain high standards of a recreation service. There is a tendency for the concessionaire who gets a long-term contract to begin to move in on the facility – to begin to insert his values that may not be the site manager's values. There is a tendency under a long-term contract for the contractor to begin to get sloppy, or for the management to change, and all these potentials can mean problems. Hence, if the site managers building the facility itself, it can offer shorter contracts, retain the incentive of competition built into lease, and from that experience determine whether it would be of interest to prolong it. However, if the concessionaire is required to invest large sums of money in establishing the operation, he may demand a long-term contract.

A very important consideration is the effectiveness of the concession staff because visitors to natural sites will see no difference between the PA agency employees and the concessionaire's employees. Typically, the public sees that if the concessionaire fails, the site manager also fails. Hence, the selection of a concession operator is as critical as the selection of any park employee.

Capital investment

The concessionaire may be required to invest capital in facilities and programs, for example payment for the repair of a building being used for the provision of a service, or the payment for purchasing vehicles. Typically, a contract that requires capital investment has longer terms, in order to allow the contractor time to recover the costs of his investment.

Within US law governing contracts with national parks, the contractor retains an interest in all capital investments. When the contract ends, any future contractor must pay the past contractor a sum of money equal to that capital investment. This arrangement makes contractor turn over a very rare occurrence.

1.7 Monitoring, Enforcement and Re-evaluation

During the operation of contracts, monitoring, enforcement and re-evaluation must be undertaken. This is a complex and expensive operation. Accordingly, this may be poorly done in many situations. Many park agencies choose contractors for the simple reason that the park agency does not have the financial and human capability to operate the facilities and programs. This also means that the park agency does not have the capability to effectively monitor, enforce and evaluate the contracts.

The park agency should have a monitoring procedure. To ensure that all legal, policy and contractual requirements are met, and the arrangements for monitoring should be specified in the contract, along with the actions that will follow. The monitoring can be done by the agency itself or by hiring independent evaluators or auditors to do it

As part of the monitoring effort, the concessionaire will be required to keep records on various aspects of the operation (e.g. the volume of business, monthly revenue, consumer satisfaction rate, etc.). The park agency may demand periodic reports on detail operations. Typically, the park agency retains the right to audit all such records, either by agency staff or an independent auditor.

There are two aspects of concern for monitoring: firstly, visitor impacts (environmental/social) for determining what action is needed to address problems; and secondly, service quality, involving collecting, analyzing and evaluating information about the fulfillment of the needs of visitors for transportation within the protected area.

Monitoring should be focused on the following areas/facilities/services:

1. Where/which problems are most acute, and where people have indicated concerns;
2. Where new management actions are taking place;
3. Where the effects of management are unknown; and,
4. Where information is lacking.

For some specialized aspects of the monitoring, trained staff members are required. But for general monitoring, other groups can also be involved, such as field staff and rangers, the local community, local schools and universities, specialist tourist programs that supported protected area research, tourism operators, and visitors.

Enforcement procedures must be detailed and operated upon, as any contract is only as effective as its implementation. Enforcement procedures should not be amendable to political interference. However, many park agencies find considerable political interference in concession enforcement, which leads to a weakening of the effectiveness of the entire concession management process.

Concession management can be a key problem for protected area managers. The contractor sometimes ignores contractual requirements, even illegally constructing facilities in the t park or operating businesses not allowed in the contract. Their staff may lack training and cause problems, such as environmental damage. Sometimes, concessionaires try to avoid contract rules by going to higher level of government officials or influential politicians. Private operators might take a short-sighted view of their interests, and show little desire to support other aspect of park operations, such as providing accurate information, assisting injured visitors, etc. The enforcement of concession contracts and the policing of concessionaires can be very expensive and time-consuming for park managers, and especially so if a bad operator with political connections gets into place.

Penalties for non-compliance

Penalties are required where the contract is not followed. A cascading sequence of penalties should be clearly written and agreed upon by both sides in advance. Generally, the first expression of concern can be a written warning. The second warning might be

some financial penalty, such as a fine. The last step would be cancellation of the contract. The penalty procedures should be documented as a formal agency policy.

Conditions for contract suspension and termination

The contract should define the conditions for emergency suspension and for the termination of the concession contract before the end of term. Examples could include financial insolvency of the contract or gross violation of the concession agreement. Procedures should be well developed for such a circumstance.

1.8 Developing Environmental Protocol for the Infrastructure

An agency has a leading role in setting environmental guidelines for tourism enterprises operating within the protected area's boundaries. It is essential that a concessionaire is in full compliance with an agency's environmental laws in all facets of business operation, from the business conception to facility design, construction, planning, implementation and finally to daily operations of a tourism retail enterprise.

Environmental Guiding Principles in the Planning Stage

An agency must provide information about licenses and permits required, as well as, all legal and regulatory obligations a concessionaire must comply with to start and run a business in a protected area. The obligatory conventions may include:

1. Zoning application;
2. Development permit;
3. Building approval; and,
4. Business operating license.

Other important considerations include the following factors:

1. The buildings and other facilities must be situated and designed to minimize site impacts, respect the natural environment and blend into the landscape;
2. The layout and design of the site must be visually pleasing and in touch with the natural landscape of a protected area;

Concessions, Licences and Permits

3. Aesthetically pleasing building design and architecture need to address the needs of a business and the needs of visitors; the practical needs of a business operation must not be overlooked; and,
4. An agency should design the minimal impact codes for a concessionaire to adhere to.

Environmental Guiding Principles during the Development Stage

Environmental impacts during the construction and/or renovation of the building must be minimized. An agency should ensure that the following precautions are exercised during the construction of the facilities, whenever possible:

1. Site erosion must be kept to minimum;
2. Excavation activity must be minimized;
3. If possible energy source should be from a renewable energy power;
4. Locally sources building materials should be used whenever possible;
5. Local construction technique should be employed;
6. Recycled building material should be used whenever possible;
7. The construction staff should be briefed on the natural and cultural values of the site before they start work; and,
8. During the site development sensitive elements of the natural environments including vegetation and wildlife must be protected and preserved.

Environmental Guiding Principles during the Operation of Concessions

Whenever possible, an agency should encourage a concessionaire to be environmentally responsible in their daily business operations. Following are suggestions for the implementation:

1. The use of recycled paper products in daily operations of a business should be considered (examples: toilet paper, stationary, brochures, pamphlets, etc.);
2. The usage of environmentally harmful products should be avoided;
3. The use of alternative energy sources such as solar power, wind power, and other environmentally friendly power sources should be encouraged;
4. Disruption to local wildlife must be kept at minimal;

Concessions, Licences and Permits

5. Concern for water preservation must be exercised;
6. Sound pollution must be minimized;
7. Non-recyclables containers should be avoided in favor of refillable containers;
8. Composting is encouraged;
9. Paper products, cardboard and glass should be sorted and recycled, if existent;
10. All concession staff including the owner and manager must participate in environmental training conducted by a park agency, whenever possible;
11. Food and material should be bought in bulk or in refillable packaging, if possible;
12. Purchasing policy that favours recycled and reused products should be followed;
13. Recycling policies and programs are to be practiced.

Additional environmentally-responsible suggestions for the operations of gifts and tourism retail concessions in the protected areas are important for energy and water conservation. This are listed below:

1. Alternative energy sources such as solar power, wind power, or other environmentally friendly power sources could be used as energy sources;
2. Concern for water preservation could be demonstrated by:
 - a. Collecting rain water for non-potable uses;
 - b. Installing low-flush toilets;
 - c. Accessing groundwater as a source;
 - d. Re-using sewage effluent/liquids for other uses; and,
 - e. Re-using previously used water (gray water) for other uses.
3. Hazardous or toxic substances should be disposed of and removed as per the protected area agency's procedures.
4. Concern for air pollution must be carried out as per the protected area agency's procedures, i.e., the burning of the garbage may be banned, the use of aerosols may be forbidden.

Chapter 2: Concessionaire Expertise

2.0 Introduction

All contractors and licensees should have some level of expertise in order to carry out their assigned responsibilities. The expertise can vary from normal business management knowledge through to highly specialized resource management training. The park agency will have procedures for assessment the expertise of all contractors and licenses. This section of the paper is aimed at providing all concerned, but most importantly potential contractors, with an understanding of what is expertise is required for operating in a park.

2.1 Expertise Needed by Tourism Contractors

The granting of a tourism contract in a protected area often requires a substantial investment of time and resources by an agency and by a potential concessionaire. It is important for a potential concessionaire to become familiar with all facets of opening and running a business in a protected area. Additional business and environmental regulations imposed by a park agency on an owner and/or manager of a retail enterprise differs from the regulations and practices of an identical enterprise operating in a common commercial setting. Information provided below is designed to assist future concessionaires in evaluating the opportunities for the opening of a gift and tourism retail concession in a protected area. The decision to open a business in a protected area must be based on the assessment of financial viability of a concession, as well as, an owner's readiness to serve tourists by complying with the environmental and cultural protocol established by a park agency.

Business Planning

The development of a comprehensive business plan that evaluates an opportunity for the opening of a retail concession in a protected area is a must. The elements of a business plan that require extra preparatory efforts on the part of a concessionaire are:

1. Defining a business opportunity;
2. Evaluating the market (market research and product analysis);
3. Investing in marketing and promotion Strategies;
4. Structuring a management team;

Concessions, Licences and Permits

5. Setting goals – short term and long term;
6. Producing a sound financial plan; and,
7. Identifying and mitigating potential business risks.

This business plan will be developed based on information provided in the prospectus prepared by the park agency, the knowledge of the bidder obtained from similar efforts elsewhere, and ongoing discussions with the park agency staff members.

Regulatory Obligations for Concessionaires

Since every country has a unique system of regulatory conventions, it is the responsibility of a potential tourism concessionaire to become familiar with all national, provincial, and municipal regulations that govern the opening of a tourism retail concession in a protected area. Also, each concessionaire must secure a permit or sign a contract that authorizes operation of a business in a protected area. The following list contains the most common regulations a concessionaire may encounter in the operation of a concession business in a protected area. There are often business regulations enforced by several government departments including:

1. Business license;
2. Local/regional/national health and sanitation standards;
3. Public health standards;
4. Environmental regulations;
5. Public standards of hygiene;
6. Business and liability insurance;
7. Workers' safety, workers' compensation and occupational standards, if applicable; and,
8. Emergency procedures.

There are often business regulations enforced by protected area agency including a special permit, often referred to as the Incidental Business Permit. The Incidental Business Permit (IBP) is a simplest written form of authorization that allows the operation of a concession business that provides commercial services for visitors in a protected area. The IBP is usually issued to a concessionaire under the following conditions:

Concessions, Licences and Permits

1. A concessionaire does not use permanent commercial facilities in a protected area;
2. A concessionaire's commercial facilities originate and will be terminated outside a protected area; and,
3. A concessionaire does not collect money from the sale of his/her products in a protected area.

The IBP is usually issued for a period of several years (2 to 3 years), and a concessionaire must reapply to obtain a new IBP upon expiry. The permit is not transferable and is valid for a period of time stipulated by a park agency. The permit fees are cost recovery fees and if the land within a protected area is publicly-owned. A specific government department commonly determines the cost of permit fees. A protected area's authorities usually collect the permit fees and often they consist of a non-refundable application fee, an administrative fee and a protected area fee.

A protected area agency may add a cost for monitoring concession operations in the permit fees in advance of a permit/contract period. A concessionaire is asked to submit the following documents, when applying for a permit:

1. Completed application form, obtained from a Protected Area Agency;
2. Proof of liability insurance;
3. If required by law, a proof of worker's compensation insurance;
4. Business license number;
5. Proof of permit fees paid; and,
6. Proof of compliance with all applicable regulations.

Tourism concession businesses that require permanent facilities and significant financial investment on the part of concessionaires are authorized to operate in a protected area by a concession contract. The concession contract authorizes a concessionaire to operate a business for a longer period of time, usually three years or more. The concession contracts are awarded through a competitive process in a response to a prospectus provided by a protected area agency. The solicitation of concession businesses usually takes two to three months, while the selection process may take from one to three months. When applying for a concession contract, in addition to the documentation required for a permit, a concessionaire needs to submit additional documents, which may include:

Concessions, Licences and Permits

1. A performance bond for the construction of new tourism retail facilities;
2. A performance bond for the operation of a concession for the duration of a contract period; the amount is set by the protected area authorities; and,
3. Proof of public liability insurance and property damage insurance.

Laws and Regulations

A concessionaire needs to be familiar with the concession law and regulations under which commercial visitors services are authorized in a protected area. The concession law and regulations can be obtained through a specific government's department and a protected area agency. The concession law stipulates the following:

1. Manner and conditions under which concession activities can operate in a protected area;
2. Conditions which a concessionaire in a protected area is obliged to fulfill;
3. Beginning and duration of the concession, as well as, the terms under which the concession agreement will be terminated before due time;
4. Amount and type of concession compensation to be paid;
5. Fields in which concession activities are to be performed;
6. Possibility of declaring a public interest for compulsory concessions;
7. Way of acquiring a concession, as well as, purchase of concession;
8. Supervision over the concession activities; and,
9. Conditions for improving the protection of environment and nature during concession activities in a protected area.

In most cases, a protected area agency is authorized to grant a right to concession on behalf of a specific government department and in accordance with the concession law. A concession may not be used in a manner contrary to a county's laws and international agreements that regulate the activities of the protected area agencies. When entering into the contract with a protected area's authorities, a concessionaire needs to be familiar with all standard clauses of a concession contract.

Environmental Practices and Programs

A tourism concessionaire must comply with the environmental measures determined by a protected area's authorities and demonstrate a high level of environmental stewardship in all daily operations. National parks and other forms of protected areas have high environmental standards, much higher than found in other commercial settings. Environmental regulations and practices are generally outlined in a business contract and it is a concessionaire's responsibility to comply with all contractual obligations, including the environmental.

Product Selection

All products sold must be desired by the park visitors. They must be sympathetic to the environmental and cultural objectives of the park. The knowledge and behavior of concessionaire staff people will strongly affect the satisfaction of the customer with the product. To select the proper products, the concessionaire must pay particular attention to the visitors' profile, their age, travel style, past travel experiences, and expectations. Much of this information could be derived from a park agency's market research and its annual reports. All potential contractors should be provided with the visitor analysis reports produced by the park agency.

A supportive relationship with local, regional and national suppliers is of key importance for efficient business operations. Over time, direct contact with visitors in a protected area will provide businesses with experience on the most desirable products. Research shows that history and park tourists appear to be more introspective, contemplative, and reflective in their tourism experiences and look for tourist products that are historically, regionally and traditionally authentic. Active outdoor tourists, on the other hand, seek functional and useful craft items of practical value (Littrell, Anderson, Brown, 1993).

To answer the needs of tourists visiting the protected areas and to ensure that the values of cultural authenticity are not jeopardized, both an agency and a concessionaire need to have a clear vision of the criteria for the selection of products.

Pricing

The prices for the tourism products may be regulated by a protected area agency. Product prices are thereby determined through a comparison of prices charged by similar tourism retail businesses that operate outside of a protected area. Pricing regulations policies are always clearly defined in an agency prospectus and concession contract. Agencies often insist on having the control of prices to protect visitors from paying costs well above market prices. Periodically, the prices are being reviewed and changed if necessary. In some scenarios, an agency and a tourism retail concessionaire could jointly assess prices.

In case of free market pricing, the contractors must be responsive to the needs of the customers and the park agency. If the contractor charges fees that are seen as being exorbitant, the park agency may be forced to change its policy and move to regulated prices. Therefore, it behooves contractors to charge moderate prices that give maximum flexibility to the contractor and the park agency. Fully regulated prices are expensive to administer by both the contractor and the park agency and therefore are wise to avoid if possible.

Payment

Typically, a concessionaire provides payment to an agency for the privilege of conducting business in a protected natural setting. A retail concessionaire usually pays a pre-determined amount, i.e., a percentage of the gross receipts collected from the sales of products sold to tourists during a fiscal year. In general, a projected percentage payment is stated in an agency's prospectus and in a concessionaire's proposal. The rates are subjects for negotiations and whenever possible they are determined by comparison with the rates and charges of similar businesses with additional considerations paid to the type of patronage, additional environmental obligations, seasonality issues, number of visitors, and the cost of labour and material.

In some instances, a concessionaire's payment may be in the form of a franchise fee, commonly paid on an annual basis as a fixed fee. For a long-term agreement, an agency often reserves the right to review the payment structure, usually every five years, to determine if any adjustments are required.

Concessions, Licences and Permits

Occasionally, the park agency may provide a payment to the contractor. This may occur during periods of very low tourism volume. During such periods it may not be financially feasible to maintain operations, but the park agency may desire that some facilities remain open. If the park agency policy is to provide services at very low prices, at prices below production cost, then the agency will have to subsidize the contractor accordingly. Such a policy may occur when park use is seen as being a public good that benefits all and therefore should be provided by government.

Insurance

A concessionaire must hold an appropriate public liability insurance and property damage insurance. The objective of public liability insurance is to protect both a concessionaire and a park agency from potential public grievances. The amount of public liability insurance is usually determined by the government, local law or by the business community. Concession contracts should identify the types and minimum amounts of insurance coverage required of concessionaires in order to provide reasonable assurance. The insurance contract should be completed in sufficient detail so that coverage, amounts, limits and special circumstances can be easily identified. A copy of the Certificate of Insurance should be signed and recorded by the Agency Superintendent and concessionaire on a yearly basis. This information includes insurance on bodily injury, property damage, fire damage, liquor liability, property insurance, machinery coverage, and business interruptions such as loss of income in the case of an event to cover the extra expenses to continue operations, or property damage that enable repair or replacement of essential visitor services that are damaged or destroyed. The Park Agency should stipulate that it will not be responsible for any omissions or inadequacies of insurance coverage's and amounts in the event that the insurance purchased by the concessionaire proves to be inadequate or insufficient. When purchasing public liability insurance a concessionaire is usually asked to co-name the government as coinsured in a concession insurance policy. A concessionaire must also purchase property damage insurance necessary for the replacement value of all concession facilities in a protected area in a case of potential damage.

Staff Qualifications and Training

The employees of a tourism concession must possess appropriate level of skills, knowledge and ability. Ideally, they should possess knowledge of the local culture and traditions. To ensure quality relationships and satisfactory customer service, when hiring employees for a store an owner or a manager should consider investing his/her efforts into:

1. Cross-cultural orientation programs that include cross-cultural relations, profiles of visitors, their countries of origin and languages spoken;
2. Involving the staff in an on-going training program with the customer service component,
3. Encouraging employees to obtain skills through occupational training;
4. Delivering training on cultural diversity; this training will help staff better understand the needs and expectations of visitors;
5. Training staff to better respond to the visitors, in the following:
 - a. Meeting and greeting customers
 - b. Handling customer concerns
 - c. Telephone etiquette/manners
 - d. Customer Safety
 - e. First Aid

Ideally, key staff should be encouraged to take registered and industry accepted courses that can help improve the operations of the operation. Most countries offer some form of recognized or accredited trainings that could help staff better respond to the needs and expectations of tourists.

Cultural and Environmental Education for Visitors

All parks and protected areas have important cultural and environmental objectives. Contractors need to be aware of these objectives and ensure that all activities are in accordance with those objectives.

Tourists visiting protected areas possess interests in local souvenirs and often ask questions about specific arts and crafts and their relation to local culture and people. The following considerations may be helpful to a concessionaire who sells arts to visitors:

Concessions, Licences and Permits

1. It is important to provide guidebooks, pamphlets, videos, brochures, compact discs offering information about particular local art techniques, cultural traditions and community customs for visitors' information;
2. Artistic displays need to be carefully selected to exhibit authentic artistic expressions and to foster an appreciation for local culture and people;
3. Employees need to be able to answer visitors' questions and provide additional cultural explanations;
4. It may be appropriate to post cultural guidelines and sayings in the common areas; and,
5. A brief tour of a souvenir outlet and/or visitors' orientation program may be appropriate in some settings.

Customer Service

Customer service and customer satisfaction are vitally important for the success of a business in a protected area. The manager and owner must pay special attention to:

1. Instructing the staff how to deal with customer concerns and complaints;
2. Creating procedures for handling customer concerns and complaints;
3. Considering the implementation of customer reward programs;
4. Demonstrating appreciation for the visitors coming to the store (for example, a small souvenir and mementos could be offered to the visitors);
5. Assessing customers needs and satisfaction through active observations, discussions and customer feedback;
6. Sharing and discussing customer feedback with the employees on a timely basis;
7. Meeting regularly with the employees to discuss customer satisfaction issues and provide feedback on the employees' performance; and,
8. Conducting research on a regular basis to obtain feedback from the customers (the responsibilities of market research, marketing and promotional affairs are defined in the business contract between a protected area agency and a concessionaires; often, these affairs may be shared by both parties).

Concessions, Licences and Permits

The park agency may undertake customer satisfaction surveys independent from those conducted by the contractor.

Reporting and Record Keeping Requirements

At the end of the operating year, each concessionaire must complete an annual financial report and declare total gross receipts from all sales. Sometimes, an agency demands a balance sheet to be submitted by a concessionaire. Required documentation, statements, and books must be submitted before the date due to avoid late fees being assessed. All submitted records are then examined and audited by authorized representatives. A protected area's authorities may ask a concessionaire to fill out additional forms, such as activity summary report and customer surveys.

Staffing and Human Resource Management

After the concessionaire is chosen, they will be responsible for hiring staff. A common contract stipulation is for hiring locally. It is important that the operation employ enough employees to provide sufficient and satisfactory customer service. It is necessary to establish a list of job descriptions and post hierarchy positions. The concessionaire should not employ the spouse or children of a Park Agency employee for the reason of omitting any conflict of interest. Minimum and maximum work hours should be stipulated for employees to ensure job stability and sufficient income. Education and training for concessionaire staff are vital for enhancing the links between the concession staff and for providing quality service to visitors. Training should occur prior to starting the job and working with customers. To enhance the operation of the concession, concessionaires should implement on-going training programs.

In the situation where the park agency regulates all fees and charges, the income of the contractor is limited. Accordingly, most contractors try to increase their income by paying the lowest possible wages. In this case, employee qualifications are often lower. Therefore, it is important to note that a strong emphasis on low fees, results in a lowered wage and lowered level of expertise by contractor staff.

Housing and Staff Incentives

Many parks are remote and many park services are located deep inside parks. Therefore, it is often necessary to consider special housing needs of concessionaire employees. The provision of adequate accommodation for concession employees can be a major issue in concession contract negotiations between the park agency and contractors. If housing is provided by the contractor, room and board charges should be in accordance with an employee's income. A meal plan that offers menu cycling should be provided, as in the case at Grand Canyon where meals are repeated no less than every three weeks (Grand Canyon National Park Operating Plan, 2001). The employee housing area should offer a community kitchen where employees can cook their own meals. Additionally, employees might receive discounts at the concession operations, such as restaurants, food stores and guiding operations. All employees can be encouraged to make use of any available park facilities, such as fitness center, hiking trails, barbecues, rafting trips, etc. The concessionaire should also consider providing other services to staff including free transportation to and from medical facilities, free local telephone calls, and scheduled pick-up and departure stops to and from the work place.

Utilities and Services

Utilities are often required for concessionaire operations. This may include the supply of electricity, communication systems, auto fuel, natural gas, and water, plus the disposal of wastewater and solid waste. Given the remoteness of many parks, the provision of utilities may be difficult and expensive.

The Park Agency may provide such utilities to the concessionaire for use in connection with the operations required or authorized under the contract, when available, at rates to be determined in accordance with applicable laws. If the Agency does not provide utilities to the concessionaire, the concessionaire may, with the written approval of the Agency, secure necessary utilities at its own expense from sources outside the area and services that are most appropriate to the park's setting and in harmony with the park's goals. All contractors must be fully aware of the utility situation during contract pricing and negotiations.

2.2 The Process for Securing a Business Contract with a Protected Area Agency

All potential contractors need to follow several steps involved in gaining a concession licence in a protected area. The steps outlined in Figure 1 above are repeated here from the point of view of the concessionaire:

1. Study the public notice.
2. Call to receive a protected area agency's prospectus.
3. Tour the protected area agency's facilities on a scheduled date.
4. Prepare a proposal and a business plan, whenever possible.
5. Send the proposal to the reach the protected area agency before the deadline date.
6. Attend the interview process with a copy of proposal and supplementary information.
7. Study the contract to have a clear understanding of all regulatory and contractual provisions in a contract.
8. Be prepared to negotiate the terms of the concession contract with the protected area agency's management team in charge of concessions.
9. Sign the contract.
10. Complete all necessary preparations for the opening of a concession business in the protected area

Chapter 3: The Gifts and Handicrafts Sector

3.0 Introduction

There are many sectors involved in providing services and products to visitors in parks and protected areas. Individual chapters are devoted to each sector due to the unique situations involved. This also means that there is some duplication of material. Chapter 3 outlines the gifts and handicrafts sector. The following chapters deal with accommodation (Chapter 4), transportation (Chapter 5), food sales and restaurants (Chapter 6) and tourism guiding and interpretation (Chapter 7).

3.1 Introduction to the Gifts and Handicrafts Sector in Protected Areas

There is a typically high demand for local handicrafts by tourists who travel to protected areas. Research shows that eco-tourists or nature tourists are relatively wealthy consumers with strong interest in local cultures and authentic handicrafts (Goodwin, 1997). When interviewed in the National Parks of Asia and Africa, eco-tourists ranked culture as one of the most important reasons for travel to those destinations (Healy, 1997). Eco-tourists seek authentic local souvenirs and are willing to pay a fair price for them. Yet, often they leave empty-handed. Tourists who traveled to the protected areas in Africa and Asia reported that they wanted to purchase masks, traditional jewelry and textiles, but were not able to find these items (Goodwin, 1997). Increased numbers of eco-tourists justify the openings of commercial retail outlets and concessions that sell locally made arts and crafts desired by tourists visiting protected areas. If properly controlled and regulated, tourism retail outlets and concessions have a potential to generate much needed revenues for the conservation purposes and lead to capacity building of local population living in and around the protected areas. In a recent study by Goodwin and Dilys (2001), the local population of nine villages located in and around protected areas in Zimbabwe declared that their most preferred way of making money from tourism is selling handicrafts to international visitors.

In most developing countries, local people living in and around the protected areas, resort to selling local arts and crafts from the roadside stalls which manage to attract only a portion of all visitors. Research shows that most visitors buy handicrafts from the gift

and souvenir stores displaying merchandise in a visually attractive manner (Healy, 1994). The sale of locally made arts and crafts could be a way to increase visitors' spending and provide a source of income for local population (Healy, 1994). Lindberg and Enriquez (1993) reported that eco-tourism-related handicraft sales in Maya Centre, Belize, generated an average of BZ\$2,336 (US\$1168.00) per household for the year ending March 1993. This is a substantial income source particularly when one considers that Belize's GDP per capita was BZ\$3,124 at the time, and that most of the construction materials for the crafts were materials of local origin.

There are considerable disparities in the level of tourism development in the protected areas worldwide. Some protected area agencies that operate natural sites in the OECD countries already successfully manage gift and tourism retail concessions in the parks. Some agencies do not encourage or facilitate such operations in the parks, but allow local crafters to sell their wares to tourists at the park gates. Others that are considering the implementation of commercial operations into parks require operational guidance. The protected area agencies operating in the non-OECD countries often possess insufficient knowledge of the concession management practices in the natural settings. Practical guidelines and examples of successful management of gift and tourism retail concessions by other protected areas agencies would certainly be of great help to them.

3.2 Objectives for the Opening of the Gift and Tourism Retail Outlets

The opening of gift and tourism retail outlets and/or concession businesses has a potential to positively influence economic, social, and cultural development of an area and provide valuable monetary contributions needed for an ongoing preservation of a protected natural setting. The objectives for the opening of gift and tourism retail outlets and/or concessions reflect those positive intentions:

1. To sell authentic arts and crafts desired by domestic and international visitors and to derive profits from its operations.
2. To educate visitors about local cultures through the introduction of culturally authentic products available for sale.
3. To provide employment opportunities for the local population.
4. To increase business ownership by local entrepreneurs.

5. To create market opportunities for arts and crafts produced by local artisans.
6. To become an integral part of a protected area's natural landscape by its physical and architectural design, business and environmental practices employed and the selection of products sold at the store.
7. To select arts and crafts which commemorate historic and cultural values of local and national cultures.

3.3 Suggestions for the Introduction of Gift and Retail Outlets

To determine whether a gift and tourism retail concession might be appropriate for a specific natural setting, an agency needs to first examine its human and financial resources. Secondly, it has to obtain an understanding and knowledge of a country's commercial and legal practices that govern the opening and management of organizations allowed to conduct business in a protected area. A well-known fact is that many protected area agencies simply do not have staff, resources, and skills required for the proper management of concession operations. These agencies need to seek less complex commercial arrangements for selling arts and crafts to tourists. The following ideas provide undemanding suggestions for the protected area agencies interested in promoting the sale of locally made arts and crafts to visitors:

1. Consider inviting the local population to set-up souvenir sales outlets with locally produced arts and handicrafts in the areas outside of a park's boundaries; this requires only a modest investment; an agency may want to give out special licenses authorizing local merchants to sell their merchandise in allocated areas; additional guidelines may need to be put in place;
2. Encourage local entrepreneurs to set-up retail outlets within a protected area; zoning provisions, operational and environmental guidelines would need to be put in place; a park agency may want to assess monthly fees and collect either fixed fees or a percentage of gross sales from local merchants.

In 1988, V. M. Toledo wrote the following about conservation in Mexico:

In a count, that is characterized by the cultural diversity of its rural inhabitants, it is difficult to design a conservation policy without taking into account the cultural dimension; the profound relationship that has existed since time immemorial between nature and culture. Each species of plant, group of animals, type of soil

and landscape nearly always has a corresponding linguistic expression, a category of knowledge, a practical use, a religious meaning, and a role in ritual, an individual or collective vitality. To safeguard the natural heritage of the country without safeguarding the cultures which have given it feeling is to reduce nature to something beyond recognition: static, distant, nearly dead.” (Toledo1988)

Equal concern for the conservation of biodiversity and people living in and around the protected areas is evident in the recent restructuring of the National Parks of South Africa. The history of the Parks demonstrates that strict preservationist policy of conservation where Parks were kept separate from the people did not work. The conflict between the park management and local population was counterproductive to the conservation efforts. South African experience illustrates that successful management of protected areas demands the inclusion of local people in the planning and conservation practices of protected areas (South African Parks, 2000).

In years to come, protected areas agencies will have a unique opportunity to become the leaders in the facilitation of biodiversity conservation through a more integrated management approach which solicits involvement of local people in the commercial operations in the parks. Research shows that tourism development is more successful if done in consultation with local population and regional tourism stakeholders. The following strategies provide suggestions for the protected area agencies interested in introducing commercial operations, including the concessions, into the protected natural environment.

3.4 Actions for Gift and Tourism Retail Concessions

Preparing for the Tourism Retail Development

Before developing gift and retail operations in a park there are a number of issues that must be addressed. Many of the most important considerations are outlined below:

1. Invest time and resources to find out if gift and retail concessions are needed in the protected area, and more importantly if they could become economically viable businesses; a comprehensive feasibility study would be beneficial;
2. Establish communication and working relationship with local population and regional micro-businesses that sell locally-made products;

3. Solicit input from all interested stakeholders to find out if there is an evidence of widespread support for the opening of gift and tourism retail concessions in a protected area;
4. Obtain an inventory of locally produced arts and crafts;
5. Obtain a list of individuals and suppliers that produce and distribute arts and crafts to the already established markets;
6. Share important facts about a protected area including the strategies employed in the management and operation of the area; reveal the number of tourists visiting area, visitors' profiles, needs and expectations;
7. Invite local entrepreneurs and interested population to share their ideas about possible tourism retail development in a protected area;
8. Encourage partnership between local communities and private sector;
9. Determine what form of ownership and management would be most suitable for a gift and retail concession in a protected area (this would depend on many factors including the source of capital investment, labour pool and qualifications, socio-economic conditions of an area, government policies and regulations, etc.); and,
10. Examine government policies and seek direct government support for the establishment of commercial concessions in a protected area; look for provisions of direct support such as credit, training and marketing support.

Planning the Development of Gift and Tourism Retail Concessions

Once the decision has been made to develop gift and retail operations, there are several steps that need to be followed. There are outlined below.

1. Work with local authorities and businesses to plan a tourism retail concession in a protected area;
2. Develop local codes of conduct;
3. Suggest the location for a tourism retail outlet or concession outside of a protected territory; consider the implementation of buffer zoning for commercial purposes; the zoning has dual purpose; it increases access to tourists for local merchants and tourism retail concessionaires and limits development within a protected area;

4. Consider instituting a levy for supporting the development of locally-owned tourism retail concessions;
5. Project the amount of capital investment required to plan, design, and construct permanent structure and facilities for a gift and tourism retail business operating in a protected area;
6. Estimate working capital required to undertake the project;
7. Establish relationship with investors and entrepreneurs interested in funding and operating a tourism retail concession;
8. Plan and adopt a building design for commercial operations in an environmentally responsible way;
9. Ensure that the building and other facilities are designed to minimize site impacts, respect natural environment and blend into the landscape; and,
10. Encourage use of building materials sourced locally and ensure that local construction techniques are used during the building process.

3.5 Regulating the Operations of Gift and Tourism Retail Concessions

The regulations must be responsive to the present level of economic development in the region and country, and as such they need to encourage the start-up and economic sustainability of a tourism retail concession in a park. An agency must ensure that the regulations are not too rigorous to deny local people an opportunity to own and operate a concession in a park.

Monitoring and Evaluation of the Gift and Tourism Retail Concessions' Operations

Since uncontrolled tourism concessions could result in negative environmental impacts, ongoing monitoring of a concession's business operations by an agency is a must. Concession operations need to be reviewed at least on an annual basis to identify any negative impacts from the operations and to ensure efforts are invested in minimizing negative impacts on the environment. The review of a concessionaire's operations must follow the established baseline standards created by an agency. The baseline standards need to be realistic and account for the level of infrastructure, skills and technological expertise available in the country. It is important that the standards are

not set too high, as this could discourage commercial investment. It is possible that some concession micro-businesses operating in the protected areas may not be able to meet some standards outlined by an agency; special exemptions may need to be granted to those businesses while they are working towards being able to meet all relevant criteria. The purpose of the baseline standards is to evaluate the performance of a concessionaire in three categories: economic, social and environmental. The evaluations need to be ongoing to encourage a concessionaire to work towards reaching or exceeding the baseline standards. To encourage high quality performance of a concessionaire in all areas – economic, social and environmental, an agency may want to consider benchmarking his/her performance. The benchmarks are useful tool for both, a protected area's management and a concessionaire. They allow for the assessment of the concessionaire's performance against the baseline standards and possibly against the best eco-tourism practices. The best eco-tourism practices are developed on a country-by-country basis and they encourage a business to work towards the eco-tourism certification. This certification is achieved if a business meets the pre-established international performance standards and benchmarking criteria.

Consultation and Communication between Park Agencies and Concessionaires

Continuing communication between an agency and a concessionaire is absolutely vital for the success of a tourism retail concession in a protected area. The information that is generally shared by an agency and a concessionaire are market research findings, customer satisfaction surveys and evaluations, environmental assessments and other internally relevant reports. Knowledge of accurate internally collected data is important for the management and planning of commercial operations in the parks. When properly utilized and applied, research findings could boost the business performance of commercial operations in the parks. Higher profits generated by successful concession businesses result in more money collected by the agency's authorities for the conservation purposes. This in turns aids economic and ecological sustainability of a protected area.

Chapter 4: The Accommodation Sector

4.0 Introduction: The Accommodation Sector in Protected Areas

With the further development of environmental education, changing environmental attitudes, and the heightening environmental awareness built by the mass media, eco-tourism, park tourism, and nature-based tourism have emerged as an important segment for national parks and protected areas in the world (Eagles 2002). The sustainable, long-term development of such nature-based tourism will not only depend on effective planning and management of the business, but also require cooperation between the public agencies and the private sectors for multi-lateral benefits. A concession is a means to that end, and accommodation is one of the major businesses for contracting-out management and operations in national parks and protected areas.

The guidelines in this chapter 4 are developed for concession businesses in the accommodation sector from the perspective of the park agencies (or other similar public sector organizations that manage the park or protected area and therefore have the legal authority or power to lease and license land use for accommodation businesses in the respective area). The purpose of this is to enhance quality of experience and satisfaction for visitors, to maximize benefits for stakeholders, and to promote best environmental practices for sustainable development of the community.

4.1 The Green Trend in the Accommodation Sector

Accommodation is a fundamental element of the tourism product. Not only is it “the largest and most ubiquitous sub-sector within the tourism economy” (Cooper et al., 1998:313), accounting for around one third of the total trip expenditure, but it is also an essential ingredient of the tourism experience (Goss-Turner 1996). This is especially true in the case of eco-tourism or nature-based tourism, where the choice of accommodation reflects not only the needs and expectations but also an essential part of the eco-tourism experience. An environmentally sensitive hotel, ecohotel, or ecolodge adjusts its facilities, policies and practices to minimize its strain and pressure on the environment, particularly in the areas of energy and waste management, water conservation, purchasing, use of materials and goods, and environmentally-friendly

practices in housekeeping, food/beverage, and maintenance. Not only that, this widely accepted and highly commendable concept of eco-labelled (or green) accommodation also extends the hotel's internal environmental friendliness to the provision of learning and experiencing that constitute two major components of the eco-tourism products sought by the tourists.

4.2 Visitor Management in the Green Accommodation Sector

In response to the increasing needs of visitors for a genuine eco-tourist experience, the accommodation management and operators in environmentally sensitive or protected areas have recognized the importance of environmental action and started to incorporate the idea into their visitor service and visitor management mandate. Based on such criteria as environmental priorities, location and size of the properties/facilities, availability of technology, and the level of green consumerism, diverse approaches are undertaken to implement the environmental programs and management practices.

In facilitating visitor service and visitor management in national parks and protected areas, national hotel associations are working as the bridge in introducing ideas and good environmental programs. The American Hotel and Motel Association, for example, has a long-standing commitment to the environment. In 1996, it launched a "Good Earth-keeping" Program, consisting of in-room guest cards that stress the importance of water and energy conservation. Printed in several languages, they give guests the option of re-using towels and bed linen, thus saving energy and water. The Hotel Association of Canada is also developing an environmentally friendly product in response to a reported increase in the number of visitors looking for wide-open spaces and clean air. An additional green incentive has come from the Canadian federal government, which generates 4% of hotel business, following a decision to put its service business (airlines and hotels) exclusively through environmentally-committed organizations. It is currently working with the environment agency to develop environmental criteria for hotels and providing 50% of funding for the program.

The rapid growth of nature-based tourism has resulted in a corresponding increase in the construction of lodging facilities in environmentally sensitive/protected areas. Such developments often have had detrimental environmental as well as social impacts;

therefore, monitoring behavior and impacts has become part of the mandate of visitor management for the accommodation sector. Different approaches, such as carrying capacity, limits of acceptable change and even ecotourism opportunity spectrum (Clark and Stankey 1979, Butler and Waldbrook 1991, Boyd and Butler 1996), have been proposed in the sustainable tourism development literature. Several guidelines have also been published over the years to help the stakeholders in planning and managing nature-based tourism in protected areas (Eagles et al. 2001, 2002).

4.3 Eco-labelling and Eco-labelled Accommodation Facilities and Properties

An unprecedented eco-labelling of tourism businesses is underway, with a wide range of products and services touted to be environmentally friendly flooding the tourist market. The accommodation business is taking the lead in this trend, especially the planning and design of ecolodges in harmony with the natural environment in protected areas. What was expressed as an intellectual commitment to the environment in the past is now translated into specific forms of actions in response to the increasing demand in the market place. According to the Travel Industry Association of America, in the United States alone, there are over 43 million people who consider themselves to be self-proclaimed ecotourists. They are willing to pay more for environmentally friendly travel products and accommodations. As a result, green consumerism in tourism has accelerated the growth of eco-labelled products and properties, and such eco-labelled features generally characterize the accommodation business in protected areas.

4.4 Definition of Terms

In writing the guideline for the accommodation sector, some related key terms that need to be generally defined are listed as follows:

- Concession and concessionaire
- Protected areas
- Ecotourism and/or nature-based tourism
- The public sector or Park Agency
- The private sector

4.5 Planning Concession Businesses for the Accommodation Sector

The accommodation sector comprises various sleeping, hospitality, and recreational facilities for both visitors and local residents. In the sensitive natural environment or protected areas, such facilities may range from holiday camps to grand resort hotels. The product-service mix of any accommodation is made up of five characteristics:

1. its location,
2. its mix of facilities (which usually includes bedrooms, restaurants, public rooms, multi-function rooms, convention facilities, leisure and recreation facilities),
3. its design and image,
4. the services provided (including such indefinable features as the level of formality, personal attention, speed and efficiency of its staff), and,
5. the prices.

Similar to conventional lodging properties, accommodation facilities in national parks and protected areas are designed and planned to achieve the following goals:

- To shoulder the social responsibility of community-involved development and promote the mission of environmental education for visitors as well as local residents;
- To maximize customer satisfaction by providing lodging and other related product/service mix, and by catering to customers' responsible and/or reasonable needs and wants during their visit to the destination; and,
- To achieve the return of investment on the basis of sustainability of and responsibility for the community.

However, concession accommodation facilities in protected areas have their own location and operation specific objectives. Apart from profitability and return of investment for the concessionaire, they should also fulfill the following objectives:

- To provide quality of products and services as well as quality of visitor experience;
- To supplement park agency budgets for site management;
- To minimize environmental and social impacts by the promotion and implementation of best environmental practices; and,

- To fulfill the function of education by effective communication, interpretation, and conveying conservation and sustainable development messages to their clients.

4.6 Forms of Concession for Accommodation Properties and Facilities

There are a various range of concession forms for the park agency. According to the level of participation in the management for the owner, they can be categorized into two types. The first is leasing agreement, and the other is franchising agreement.

1. *Leasing*

A leasing agreement is characterized by a full capacity of management and control on the part of the leased, where a flat rent or a percentage of the profits are paid to the park agency. The leasing forms can be divided into four types in light of the rent.

- A fixed or flat fee. Whatever the business goes, the park agency can receive a fixed rent monthly or quarterly. It is built on the basis of the provision of accommodation facilities by the park agency.
- A lump sum of fee. The park agency receives a lump sum of overall fee for the whole leasing period. It may be allowed to be payable in a fixed time installments, say quarterly, and semi-yearly or yearly, in the specified period.
- A percentage of profits. That means no profit, no rent. It is actually a form of operating lease. The concessionaire takes charge of operation, and
- A mixed fee plan (basic fee plus incentive fee). The park agency is paid a basic rent monthly or quarterly, coupled with a percentage of the gross revenue or profits.

2. *Franchising*

Franchising agreement is a good choice if the park agency tries to take an active role in management and control, but is short on management experience. Contrary to the leasing agreement, the franchising requires the park agency to pay a franchise fee, usually an overall fee (\$10,000 per year), a fixed charge per bed night (\$2 to10), a percentage of room revenue (5 to15%), or other formula is agreed. The amount can be

any combination of the fees as said. What benefits the park agency obtains are to be permitted using the franchiser's reservation system, the brand and the logo, the dominant purchase, the training manual and the management system as specified in the agreement. Accordingly, the park agency has to ensure the product quality consistent with the franchiser's standards.

The management fees paid by the park agency to a hotel chains can be divided into four major categories: start-up operations/opening fees, post-opening management fees, technical management fees and group reimbursement. It is common that the park agency is required to reimburse the chain group charges and promotion expenses, which are not provided as a part of the management fee. The charges include the central reservation services, advertising and public relations, training cost, travel and sometimes payroll costs of home office supervisory personnel, which could be 1% of gross revenue or of their management fee.

According to the level of participation involving the concessionaires, the other two forms of concession can be: *management contracts and technical assistance agreements*, and *equity participation shares*.

3. *Management contracts and technical assistance agreements*

Basically, this form of operation features that all the employees at the accommodation facility are the employees of the park agency, other than the staff of the concessionaire, and the accommodation facility is managed for the account and at the risk of the owner.

The park agency can avoid the controversial issue of displacement of existing personnel, and maintain an equitable bidding or takeover. Usually, the management requires a payment of a minimum fee regardless of the operation performance. The park agency needs to maintain a minimum amount of work capital and make up any short-fall each year in case of the outcome at a loss.

Generally speaking, the management agreement may not look beneficial to the park agency at first glance. However, the selected concessionaire management can bring a variety of service to the park agency, which includes, among others:

- (1) Feasibility reports, marketing surveys, effective advertising and promotion;

- (2) Consultation on the planning, interior and exterior design, renovation and architecture;
- (3) Central reservation system;
- (4) Efficient training and staff recruitment;
- (5) Cost-deduction purchasing; and
- (6) A well-known management brand.

Nevertheless, the park agency should be aware that concession management does not depend on whether or not an agreement will bring profit to the owner on a short-term basis.

4. Equity participation shares

Equity participation sometimes is viewed as a way of ensuring good management. However, it may result in a higher bid. In most cases, it is likely for concessionaires to convert the technical assistance into equity. It is also possible that the park agency makes the concession under the condition of a loan contribution or equity participations from the concessionaire.

It sounds like a way to minimize the risk on the part of the park agency. The contributions are probably the most tangible demonstration of the concessionaire's faith in the viability of the project and commitment to its successful operation.

Normally problems may arise from the equity or loan contributions. The concessionaire could usually build the requested interest rate on the cost of borrowing plus a low percentage points. When the management contract with the concessionaire is terminated for any reason, the loan becomes immediately due.

Su, Wall and Eagles (2007) report on the unique situation in China where the nature reserves took an equity position with the tourism contractor. This enables the reserve managers to gain income from contract fees and from dividends. It also provides reserve managers with authority through membership in the corporate boards.

4.7 Qualifications of Concessionaires

The following criteria are suggested for the park agency to assess the qualification of the accommodation concessionaire:

- Performance and experience in the relevant market – with a proved record of financially successful hotel management for the owners;
- Availability of qualified and professional personnel – the key personnel mainly refers to the general manager;
- Local reputation for sensitivity to local cultural concerns and environmental consideration;
- High operation standards of management system – including the specified corporation identification system, human resources policy and training ability, accounting ability, marketing strategy and the environmental concerns standards. Here High Operation Standards means practical, feasible, and standing at a view of long-term.
- Financial standing.
- Reputation for developing good partnerships and fair dealings – not only in the field of management contract, but also in the partnerships with loyal customers, suppliers, and other co-operators.
- The plan for the concession – with the short-term plan (usually for 5 years), the long term plan (usually for 5 to 30 years) and the willingness to share part of the risks through equity investments or performance based management fees.
- The value of branding. If the concessionaire is a well-known international hotel chain, the existing brand will surely bring more benefits to the park agency.

4.8 Typologies and Categories of Accommodation

There is a broad typology spectrum in the categorization of concession accommodation in protected areas, ranging from large resort hotel complex to bed and breakfast establishments and camp facilities. To clarify the characteristics, there is a need to distinguish between three terms: categorization, classification and grading.

Categorization refers to the separation of accommodation by type, which is, distinguishing between hotels, motels, boarding houses, guesthouses, etc. *Classification* distinguishes accommodation on the basis of certain physical features,

such as the number of rooms with private bath and showers, etc. *Grading* identifies accommodation according to certain verifiable objective features of the service offered, such as the availability of interpretation and environmental education, or whether information service is provided, etc

Figure 2 provides a quick reference and comparison of characteristics between traditional accommodation facilities and environmentally sensitive accommodation facilities.

Figure 2: Tradition Lodging compared to Ecolodging (Russell, Bottrill, & Meredith, 1995)

Traditional Lodging	Ecolodging
Luxury	Comfortable basic needs
Generic style	Unique character style
Relaxation focus	Activity/education focus
Activities are facility-based, e.g. golf, tennis, swimming pools, gymnasiums	Activities are nature/recreation-based, e.g. hiking, snorkeling, diving, sea kayaking, horse trekking, etc.
Enclave development	Integrated development with local environment
Group/consortium ownership common	Individual ownership common
Profit maximization based on high guest capacity, services and prices	Profit maximization based on strategic design, location, low capacity, services and price
High investment	Moderate/low investment
Key attractions are facility itself	Key attractions are surroundings
Gourmet meals, services and presentation	Good/hearty meals and service, often with local/cultural influences
Market within chain	Market normally independently
Guides and nature interpreters non-existent	Guides and nature interpreters are focus of operation

Concession businesses related to the accommodation sector in protected areas can be categorized into the following types, with grading characteristics for each type.

4.9 Typologies and Categories

Resort Hotels

Resort hotels refer to those accommodation facilities located either within or near resort sites, natural reserves, and protected areas. In the accommodation industry in general, they bear many similarities with conventional properties or establishments in urban areas. Compared to other Ecolodge facilities in environmentally sensitive areas, they probably have a larger number of rooms with greater lodging capacity. As well, they tend to be operated with full and comprehensive services, catering to various needs of visitors and customers. Indoor facilities, such as restaurants and bars, business centers, shopping arcades, and recreation and entertainments, are likely to be available for both in-house clients as well as local residents. In terms of distribution and promotion of hotel products/services, many such resort hotels have either established or joined in some international, chain-operated brands. Some large hotel chains, such as Best Western and Holiday Inn, have entered the ecotourism market and have successful resort properties and operations in natural reserves or protected areas.

As a type of large scale and full service accommodation properties operating in protected areas, the environmental impacts of resort hotels are likely to be high. Compared to smaller properties, they are larger energy consumers and waste generators on daily basis; therefore, good environmental practice in departmental operation and management philosophy is vital to sustainable development and success of such properties in protected areas. In the planning stage, the issue of compatibility with its socio-cultural as well as physical environment is also essential in the design and future operation of the facilities.

Ecolodges

The term eco-lodge is used to identify a nature-dependent tourist lodge that meets the philosophy and principles of ecotourism. At a purist level, an eco-lodge will offer a tourist an educational and participatory experience, be developed and managed in an

environmentally sensitive manner and protect its operating environment (Bottrill and Pearce 1995). Based on an extensive international eco-lodge survey, Russell, Bottrill and Meredith (1995) summarized the characteristics of eco-lodge operations and facilities as follows:

- Located in an isolated and protected natural setting featuring forested environment with rich and abundant wildlife resources.
- A facility designed to blend in with the local environment, maximize local resources and give the impression of “being different.”
- A lodge featuring a restaurant with hearty food, and an outside gathering point (such as a bar) to enjoy the evening's natural setting.
- Comfortable accommodations with private bathrooms and lantern evening lighting.
- A friendly, relaxed and flexible atmosphere.
- A facility and operation that fosters a close relationship with nature.
- A recreation-based, activity-oriented facility, aimed at providing a learning experience for individuals.
- A moderately priced all inclusive vacation package.

Guest Houses and Bed and Breakfast (B/B) Facilities

To meet the visitors' desire of meeting the local hosts and enjoying a more intimate relationship with the culture and the community, some small forms of accommodation business near protected areas have been flourishing. The guesthouses and B/B establishments represent this. Operations in this category are either privately/family run facilities or concession businesses from other sources such as second homeowners on seasonal basis. They have a limited number of bedrooms (ranging anywhere from 2 or 3 to a dozen); nevertheless, they provide valuable products/services in that they can offer the informality, friendliness and family-like atmosphere sought by the visitors.

Second Home and Time-share Ownership

A similar category of accommodation is the second home and timeshare businesses. With the rapid increase in the number of owners, second homes have

become an important form of accommodation near parks and natural reserves, catering to various needs for overnight stay, regular weekend visits, and/or temporary but longer holidays. While serving a dual purpose for the owners themselves, second homes are generally rented out as holiday homes for visitors in terms of leasing and/or concession. Unlike B/B facilities, accommodation products and services provided by second home establishments are more extensive and commercial; nevertheless, customers still enjoy the freedom of catering to themselves.

Time-share is a scheme whereby an apartment or villa is sold to several co-owners, each of whom purchases the right to use the accommodation for a given period of the year, which may range from one week to several weeks. The initial cost of the accommodation will vary not only according to the length of time for which it is purchased, but also depending on the period of the year, so that a week in the peak season, for example, may be three or four times the cost of the same accommodation in the low season.

The principal agents in the timeshare business are the developers. In the context of concession in protected areas, they can be either the park agencies or the primary concessionaires engaged in subletting or subleasing businesses. It is generally the developer who assumes the risk of launching a timeshare project and who is accordingly responsible for all aspects of the project. Many sub-contract the marketing function and, at times, sell inventory to independent marketers who become sub-developers. Although terms and conditions of a concession agreement can generally be further tightened in the case of subcontracting, some developers may try to avoid responsibility for sub-contractors' action. The leading developers usually maintain actual or effective control over every aspect of their time-share projects.

In terms of target markets, time-share facilities generally serve the accommodation needs of a fixed client group of the developers or subcontractors.

Campsites and Trailers

Campsites and camp trailers are a unique type of accommodation facilities found in many protected areas. In many parks, campsites are the only available accommodation. This is especially true in national parks and similar ecotourism sites. Compared to the categories discussed above, campsites and camp trailers are small in terms of capacity

and spread out in terms of location and site selection. There are different kinds of operation and management styles for campsites and trailers. Often the park agency operates these facilities directly. When concessionaires are used, users pay a fixed amount of money to the park agencies for the occupation and use of a campground. Camping in this way is usually operated under a seasonal or annual lease, and campers have freedom in selecting sites, bringing in and setting up accommodation facilities (e.g. tents, trailers, etc.), coming in or avoiding the peak season, and duration of usage; as long as the site use falls within the lease agreement.

Another common style is park management-centered operation of campsites. Following this rule, park managers have greater control over site selection, duration of use, facilities installed, and activities prohibited or preferred. In many cases, it is common that camping is only allowed at certain fixed locations. Occasionally park agencies provide camping accommodation facilities that are either installed at the campsites already (where users have to pay a fee), or are rented on site for a better environmental control purpose.

4.10 Strategic Operations and Management of Concession Accommodation

The operations and marketing of concession businesses are concerned with two levels—the strategic level between the park agency and concessionaires of various businesses, and the unit level of individual businesses, such as accommodation.

Strategic Operations

Jones (1999) has proposed a strategic operations approach that is relevant to operating and managing concession accommodation in protected areas. Seven inter-related activities (location, integration, affiliation, configuration, organization, implementation, and adaptation) are considered in the strategic operations.

Location is a key strategic decision with operational implications. *Integration* refers to the extent to which the concessionaire owns and controls some or all of the resources it needs to operate its business. The degree of integration between/among concession businesses in protected areas varies from category to category. *Affiliation* relates to the choice of business format (direct ownership, franchising, management contract, consortia, etc.) adopted by the parties in a concession agreement. *Configuration* refers

to how the concession business designs or configures its product, technology and “the hardware”; while *organization* applies to the human activity or “the software”, especially in relation to the operation’s function. Key strategic decisions in the first of these relate to product and process choice, the degree of automation and the role of information technology; and in the second to issues of authority, formalization, centralization of function and so on. *Implementation* relates to how concession businesses develop and operate systems designed to give them feedback on operational performance, such as financial control systems and quality management systems. Finally, *adaptation* identifies that concession businesses need to respond to changes in their environment and they need ways in which they can adapt, specifically how concession businesses conduct research and manage for development and innovation.

The operations of concession accommodation facilities in protected areas need to take the following perspectives into account.

- Using the eco-label in their market positioning strategies through the overall corporate advertising and branding of the parks or protected areas.
- Gaining public recognition as an ethical and environmentally responsible business through extensive public relations activities associated with the parks or protected areas.
- Networking with a variety of environmentally focused industry practitioners and specialists familiar with the most cost effective and efficient ways of implementing environmental practices.
- Enhancing their image as good environmental citizens and employers through affiliation with the park agency.

4.11 Cooperative Roles in Management

In the actual operation and management of concession businesses, there will be many overlapping responsibilities and areas. Effective cooperation between park agencies and concessionaires are vital to success. There are many such areas, some of which are to be discussed later in the marketing section. Two major cooperative points are the specification of operation hours and the requirement of keeping books and

records. They are also regarded as effective means of monitoring and control on the part of the park agencies.

Hours of Operation

Generally, the operation of the accommodation is required 24 hours a day if it aims at park visitors and potentially the local residents. At least a few of the services should be provided for 24 hours consecutively, such as the telephone operator, the engineer on duty, a customer manager on duty etc. Some campsites, cabins, lodges may provide a service for experiencing the wilderness. The operation hours may range from 12 hours to 18 hours a day.

Books and Records

Books and records properly reporting all financial transactions should be kept on the accommodation property to ensure their availability for inspection, auditing and copying by the park agency's representatives at all times. It also helps to a successful transition of successors. This information mainly includes the overnight customers' profiles (the nights, the preferences, the requirements for the service, the complaints and comments etc), booking media/agency, the booking price, and the date, the consuming amount, the satisfactory degree, and the agency incentives.

Localization and Training

Training function is one of the most important factors that contributes to the success of localization for a hotel. In a park, the accommodation establishment employs more full-time employees than the others do. That training program may be viewed as a strategy that will ultimately help take over the management of a hotel for the park manager. Local staff members need to be trained, and performance standards need to be reached and maintained, particularly where there is considerable turnover. It could be argued that the essence of the management skill stems from successful training programs. But in some cases, concessionaires may wrestle through a resistance to localization for some specified reasons. It's necessary to establish a detailed localization

program with a list of job description and post hierarchy. Where the post is not held by a local staff, the qualifications for a trainee to replace the post should be specified.

Marketing

In general, the marketing of a concession business should be contextualized in the broader framework of the whole park or protected area. Despite the potential strength as well as weaknesses of operating within the frame, there are some areas where independent marketing may apply.

The Setting of Rates

The accommodation rates covers the rates for food and beverage service, the room rental, room service, laundry, babysitter, concierge service, meeting room rental, recreation (for instance, movies, stage shows, billiards) and so on.

The concessionaire may be allowed full freedom to set charges and rates. However, the permission for only one or only a few concessionaires to provide services in the park may make the business a monopoly. It's necessary to give limitations for the floor and ceiling price of each major product/service. The limitations should be carefully made to ensure that the price between them should be accepted by the target market customers, and meanwhile the concessionaire still has profits. The concessionaire has the freedom to adjust the prices between the limitations to meet the management goal.

An alternative way in which the park agency controls the prices may give another choice for the concessionaires. All of prices are set by the park agency. Only with the permission of the park agency can the concessionaire change the prices. In such a case, the park agency is playing an important role in the marketing.

A combination of price setting policies may also apply. Generally the price of the core products such as the bed rental is regulated, while other services such as food will be free marketing priced.

Marketing and Promotion

The park should be harmonious combination of its own environment, cultural facilities, the public and private facilities and all the other businesses on lease. Both the

park agencies and the private concessionaires will contribute to the formation of perceived public images. The marketing and promotion should be viewed as a joint and cooperative responsibility, which will ensure that one will not subsequently put the other in a vulnerable position in terms of public relations. The concessionaires are required to share the fees for the marketing and promotion. It can occur monthly or quarterly depending on the business size and investment amount.

The Reservation System

An effective reservation system is essential to all accommodation located at the park in a protected area. In order to promote the guest rooms and meet the guests' demand in the peak time, the hotels are likely to join in a central reservation system. Some hotel chains primarily cooperated on the basis of reservation system. If the concessionaire belongs to a hotel chain, he certainly is a member of the CRS of the hotel chain. Hence, a reimbursement for chain group changes is required. However, the benefits derived from group changes couldn't be taken for granted, depending on the size, location and markets of the hotel. Therefore, it is important to the park manager to assess if the benefits would be worth the charges.

4.12 Monitoring, Evaluation and Control of Accommodation Concessions

Monitoring

Monitoring includes the inspection of books and records, insurance for property, accounting report, waste, the reaction and comments from the local community and other concessionaires, and the compliance with the agreement.

The park agency should reserve an exclusive right for inspection of all books and records and the property itself if it belongs to the park. To ensure the compliance with the management agreement, health and safety laws and regulations and all other requirements of the applicable laws, the park representatives should be entitled to inspecting the property at a reasonable time with regular intervals. Upon request, the concessionaire should provide space and facilities for the inspection, and staff and employees should be made available for inspection-related interviews.

Concessions, Licences and Permits

An independent auditor may be employed by the park agency to check the authenticity of financial accounting report.

Evaluation Standards and Regulations

To ensure that nature-based accommodation facilities and properties are sustainably planned, designed, constructed, managed and operated, some guidelines and standards should be set up as provisions for monitoring and evaluating concession businesses in protected areas. According to the First International Ecotourism Forum, organized by The Eco-tourism Society (TES) and held in the U.S. Virgin Islands, October 23-29, 1994, there are a number of well-understood characteristics in such regulation.

In principle, accommodation facilities in sensitive areas must be designed in harmony with the local natural and cultural environment, using the principles of sustainable design; they should minimize the use of non-renewable energy resources and avoid the use of non-renewable materials for construction; they should use recycled materials where possible; they should work in harmony with the local community offering jobs with a wide range of responsibilities and employment via contract with locally owned vendors; they should work to provide benefits to local conservation and research initiatives both public and private; and they should offer excellent interpretive programs to educate visitors about the local environment and culture.

In the European Union, for example, fourteen specific activities that accommodation businesses should consider are identified by the Hotel Catering and Institutional Management Association (HCIMA 1993). These are simple and easily achievable, with little investment required.

Communications. Ensure appropriate communication channels exist to discuss environmental issues with guests, employees, suppliers, other businesses, tourist agencies, the local authority and environmental groups.

Activities and products. Ensure the main activities and products (accommodation and food) are ecologically sustainable and do the minimum amount of harm to the environment.

Concessions, Licences and Permits

Energy and water usage. Devise written objectives for water and energy efficiency; their use should be monitored on a regular basis, and strategies for their reduction in use should be followed.

Waste. Develop policies for dealing with waste and the opportunities for either reuse or recycling. Food should not be wrapped in plastic.

Materials and provision. Assess whether supplies of raw materials can be sustained without damage to the environment. The objective should be to seek out less harmful materials and to buy products that are from sustainable sources or recycled material. Seek confirmation from suppliers on these issues.

Purchasing. List priorities for action, starting with those which will have the greatest environmental impact and/or cost saving. Or those items where buying environmentally sensitive alternative results in a cost premium, conduct a benefit-cost analysis.

Suppliers. Develop policies in all relevant departments for monitoring suppliers and subcontractors and ensure that their environmental standards are desirably high.

Transport. Where the transport of goods, staff and customers is concerned, develop plans designed to minimize the environmental impact.

Site and buildings. Prepare plans for enhancing the external attractiveness of the property and keeping the site as clean and tidy as possible.

Health. Develop plans that consider the health and well-being of staff and customers (such as healthy food, no-smoking area etc.).

Investment and banking. Check pension, surplus capital investments and loan arrangements carefully to avoid involvement in businesses that have little or no care for the environment.

Training. Establish a means whereby an information exchange between staff can take place regarding green issues and new plans within the hotel. Try to get staff actively involved in local environmental initiatives.

Guest participation. Create ideas designed to encourage short-break, conference, dining and banqueting customers to be aware of green issues. This might include footnotes on menus, or insert with the conference brochures or with bills.

Sponsorship or product deals. Consider giving financial or other support to environmental and community initiatives in the local area. It could well lead to increased popularity for the business through the positive public relations benefit. Penalties can be set as a replacement of property, a sum of money, the cease of the business for a couple of operation days and release from the contract without any compensation, depending on the foreseeability of the situation and the negotiation on the contracts.

4.13 Best Environmental Practices

This section presents some best environmental practices in the accommodation businesses that are operating either within or adjacent to the environmentally sensitive/protected areas. Illustrations are taken from examples that are jointly certified and awarded as best practices, by the United Nations Environment Programme-Industry and Environment (UNEP-IE) and the International Hotel and Restaurant Association (IHA). Presentations in this section follow the order of design and planning, operation, maintenance and renovation, and promotion/communication of management philosophy and ideas (see Figure 3).

Figure 3: Environmental Best Practices for Accommodation

Best Practices	Property Location	Characteristics
Environmentally Harmonized Planning and Design	Property: Narayani Safari Hotel and Lodge, Nepal. Location: the periphery of the	At the planning stage, permission to build tourist facilities inside the park could have been obtained. Given the fact that seven tourist lodges were already located inside the park, the investor believed that National Park

	Royal Chitwan National Park.	should be set aside primarily for conservation and decided to site the facilities outside the park and apply for permission to use the park only for wildlife viewing trips. It was the first time in Nepal that a tourist enterprise had made such a request. This decision was taken despite the marketing disadvantage, as most tourists clearly preferred to be housed within the park.
Environmentally Good Operations	Property: Derwentwater Hotel, Keswick, UK. Location: the northwestern shore of Lake Derwentwater (the English Lake District) on 16 acres of conservation grounds.	Water Saving Measures Energy Saving Measures <ol style="list-style-type: none"> 1. Individual combination boilers 2. Heating zones 3. Maximizing boiler capacity 4. Energy saving house-keeping measures Waste Management Measures <ol style="list-style-type: none"> 1. Lonisers on beers lines 2. Aerosols and refillable dispensers 3. Waste-free meals
Environmentally Good Maintenance and Renovation	Property: Budapest Hilton, Hungary. Location: near UNESCO's heritage site.	Building on an environment programme, in particular for hotel maintenance and renovation, the Budapest Hilton together with the Budapest Marriott initiated a collective waste management effort for members of the Hungarian Hotel association. This initiative was later developed into The Budapest Hotels Collective Waste Management Programme, which helps generate enormous environmental benefits as well as economic returns.

Concessions, Licences and Permits

<p>Promotion, Communication and Education of Management Vision and Mission</p>	<p>Property: Phuket Yacht Club, Thailand. Location: on Nai Harn Beach Resort.</p>	<p>Develop the notion of “environmental stewardship”---a positive and caring attitude towards the environment. Some practices that help promote, communicate and educate the environmental vision and mission are as follows.</p> <p>Issue environmental action checklist for all hotels in Phuket;</p> <p>Provide training workshops for Thai Hotel Association members;</p> <p>Offer environmental seminars for Phuket police;</p> <p>Develop environmental curriculum for primary schools;</p> <p>Visitor/customer communication of environmental philosophy; and</p> <p>Public relations activities, such as tree planting and beach cleaning.</p>
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(Source: adapted from IHA and UNEP 1996 *Environmental Good Practice in Hotels: Case Studies from the International Hotel and Restaurant Association Environmental Award.*)

Chapter 5: Transportation

5.0 Introduction

Transportation in protected areas is important. Basically, there are two segments of concessions in transportation section, namely the operation of certain transportation infrastructure (e.g. roads, cable car, boating and permanent mooring, airstrip), and the provision of transportation services (e.g. on-site transit). Here it is worth noting that the ownership of the transport related infrastructures could be complicated. Sometimes a certain section of road inside a protected area is part of public road system owned by the government, while the park agency could have additional road constructed especially for recreational purposes. Different categories of roads are under different authorities, thus there may be different restrictions of road uses.

For example, there are two categories of roads within the Te Urewera National Park¹ in New Zealand. Those comprise legal public roads (both formed and unformed paper roads) and park roads. The legal roads are not part of the park. There are two main formed public roads in the park: the Waimana Valley Road and the road that traverses the park from Wairoa to Murupara. The Whakatane District Council in liaison with park management maintains the Waimana Valley Road as far south as the “Eight Acre” camping area. The road that traverses the park was historically State Highway 38 along the entire length. However, the state highway status of the road has been revoked in one section (Aniwaniwa to Te Whaiti Minginui junction) and is now a special purpose road. State highway status remains on the sections of road within the park between Onepoto and Aniwanui. State highways are administered and maintained by Transit New Zealand under the Transit New Zealand Act 1998. The special purpose road is under the jurisdiction of local authorities. The Department of Conservation is also responsible for the maintenance and upkeep of special purpose roads and is funded by Transfund for this purpose. A park road is not a legal public road established under the Public Works Act 1981, but rather an access route provided by the Department of Conservation within the park. Park roads are located on land within the national park and remain under the jurisdiction of the Department of Conservation. Under National Parks Act 1980 S. 4(2)(e)

¹ Source: 8.2 Vehicle Access, In *Te Urewera National Park - Management Plan Draft*. Available at <http://www.doc.govt.nz/Explore/001~National-Parks/Te-Urewera-National-Park/Te-Urewera-National-Park-Management-Plan-Draft>

freedom of entry and access to the park must be allowed provided that park values are preserved. Land tenure adjacent to the park can constrain access and present management difficulties. Such complicated and interwoven authorities and regulations impose complications to a PA agency's management of transport-related concessions.

The guidelines provided in this part do not presume to know the most appropriate measures for PA agencies to take in their management of transport-related concessions. Instead, they aim at setting up a context, issues for consideration, and sometimes a range of possible solutions, together with the comparative strengths and weaknesses of each solution. By this approach, the PA agency is provided with the power through choice between options.

The guideline goes in the same sequence as the series of decision-making process by the PA agency concerning concession management. That is, first, what are the ultimate goals that the PA agency will pursue; second, will a concession help the PA agency to accomplish the stated goals, and what improvement can be expected from a concession; third, concession formulating, bidding invitation, evaluation of bids, and signing concession; and the last, monitoring, enforcement and re-evaluation.

5.1 Statement of Goals and Objectives

It is important for the PA agency to have in mind clear and specific goals from the beginning of the concession management process. It is crucial to begin by re-affirming the ultimate protected area goals, so as to ensure from the very beginning that any concession activity serves the conservation aims. Special objectives defined in this stage should never be allowed to overtake the core conservation objectives of the protected area. These goals should be in consistency with government legislation and any master plan of the region or area. At the same time, goals and objectives should be specific and measurable.

The goals of the provision of transportation infrastructure and services can be stated as following:

1. To provide a safe, efficient, and environmentally-sensitive transportation system for visitors, employees, and residents, consistent with management

zoning and resource considerations. Emphasize non-motorized modes of transportation wherever feasible.

2. By providing various specialized transportation equipments, increase accessibility of the area, diversify recreational activities and enrich visitors' experience of the nature and culture.
3. Ensure that the agency receives adequate and appropriate compensation from private businesses allowed to operate on PA property.

5.2 Fees in Transportation

Due to the innate characteristics of transport-related service, transport-related concessions tend to be exclusive. In such a monopolized situation, the Park Agency typically has some control of the price.

However, many guiding companies provide transportation as part of their product. In this situation the park agency gives a permit to the guiding company that allows the company to provide transportation and interpretation services within the park. Typically the guiding company provides the park with a fee for entrance, but not with a special transportation fee.

5.3 Summary

These guidelines only provide a conceptual background for understanding park transportation and its management in concessions. Sustainable practice with PA is a long-term commitment. In practice, only some portion of benefits will arise quickly, most will depend upon many years of continued effort. And concession management is one of the most important and time-consuming activities for PA agency. During the writing of these guidelines, the writers have encountered the following difficulties.

First, there are different management structures, external regulations, policies and law systems in different countries of the world. These differences can have great implications on concession management process. It is unrealistic to consider these differences in great detail in these guidelines, but it is crucial for protected area

managers to have a comprehensive thought over such issues, which set up a context for the operation of concessions, before started out to work on the concessions themselves.

Second, few cases of successful concession contracts could be identified falling into transportation-related category. However, there is some valuable experience that can be borrowed from the management of transportation related contracts in other areas.

Finally, a small body of literature has been published in this area. The majority of them deal specifically with one or more issues of concession management process. A large proportion of reference and materials used in this paper is retrieved from the Internet. For the convenience of future research, a selected collection of such links and websites are appended to the paper.

Chapter 6: Food Sales and Restaurants

6.0 Introduction and Typology

Food service within a park is an important business and a fundamental part of visitor services. Food concession operations have the potential to greatly influence the quality of the experience of the park visitors.

Park Agencies typically encourage private sector concessionaires or licencees to provide food services. Occasionally park agencies operate this service directly, typically in order to gain the highest possible financial return. The Niagara Parks Commission of Ontario Canada is one notable example of a Park Agency that operates food services by agency staff without the use of concessions.

Food services in a park can be of two types: raw food sales and prepared food sales. Grocery stores that provide a mixture of processed and fresh food are vital to most visitors. The provision of prepared food in restaurants and take out sites can be important for certain segments of the park visitor.

This section of the report describes criteria for monitoring the operation of food concessions from the perspective of the Park Agency. Agencies employ a variety of strategies for awarding and managing food concession activity and the categories examined identify some best practice criteria that may be used in pursuit of management practices. The material for this section of the report was sourced primarily from Grand Canyon National Park Operating Plan and South Africa National Parks.

The range of products and services provided by the food concessionaire must be in harmony with the biodiversity and cultural conservation goals and related mandates of the park agency. Different dining experiences can range from a quick snack to elegant dining. Grocery stores and vending machines add added to this mix.

Determining an optimum balance between client needs and park resources is important. The concessionaire must work with the park agency to decide the range and diversity of products.

Food operations in a park can be seen as occurring with any one of the following four categories.

1. Permanent: A stationary operation intended to serve the public for two or more consecutive years (e.g. souvenir counter or popcorn stand);

2. Portable: A moveable structure designed to remain in one location for an extended period; but which can be easily moved to another location when necessary (e.g. a semi-permanent refreshment stand);
3. Mobile: A portable facility intended to quickly and easily (e.g. a mobile ice cream wagon); and,
4. Vending Machines: An unmanned facility that provides the park visitor with a good upon insertion of money.

The permanent facility has the highest capital cost and highest ecological footprint. It is used in situations where the decision has been made to provide a high volume food service for an indefinite future period. The portable structure can be used in a number of situations. It may be located on a site where there may be high volume for an indefinite period into the future, say the location of a local community festival with an uncertain future. It might be used when the concessionaire provides all the capital monies and understands that in the eventuality of the termination of the contract can remove the structure. It is useful when the Park Agency wants to maintain complete future flexibility in the location and use of major buildings. The mobile structure is best used to service use levels that change dramatically over time and location. Vending machines can provide useful specialized products at high use locales. Specialized companies that have the associated expertise usually manage them.

6.1 Management

There are a number of approaches that Park Agencies may use to administer and manage food concessions. Regardless of the approach, operations of food concessions should be a reciprocal relationship between a concessionaire and Park Agency with the goal of providing customers with quality experience, service and product. One of the key aspects of all food operations is the quality of the personnel.

General requirements for hiring of concession personnel should emphasize those who enjoy interactions with guests, have a neat, clean appearance a pleasant personality and can adapt to changing situations, and committed to not using illicit drugs (Yosemite, 2001). Safety in hiring can be established through appropriate background checks of potential employees and standards to maintain guest safety and security. All

Concessions, Licences and Permits

food service employees must be required to be adequately trained in all areas of food related program standards (e.g. Smart Serve alcohol training, Super-Host food service program, and W.H.M.I.S. chemical training) and also be knowledgeable to handle money and make change, ability to operate equipment (e.g. deep fryer, cooking grill, ice cream machine), and clean and sanitize the equipment daily. A standard uniform of dress may be required for all employees. The purchase of staff uniforms can be made under a single agency-wide contract.

The Park Agency should reserve the right of inspection of all books and records of the concessionaire at regular intervals in order to ensure the compliance with the management contract, health and safety laws and all other applicable laws and regulations. Upon request, the concessionaire should provide for the inspection, and staff and employees should be made available for inspection-related interviews.

To ensure that concessions follow standards and regulations, set by the Agency, are followed, evaluations should outline clear, achievable goals. Provisions will encourage the park agency and concession staff to work cooperatively in delivering programs. Quality standards shall be set by both the Agency and concessionaire will be graded on a monthly basis. Indicators for measuring progress are one approach to evaluate and report progress of standards. Progress and responsibilities, alongside measures to improve the quality of the service and diversity of the tourism product should be discussed openly between the Agency and concessionaire who, in turn, will relate relevant information and changes to concession staff.

Indicators may include the following, but are not limited to:

- Professional staff is clearly identifiable, friendly and courteous.
- Staff consistently greets customers.
- Building is clean (e.g. floors are swept, light fixtures are working).
- Restroom supplies are available (e.g. soap, toilet paper, towels).
- Food and drink process are stated clearly on menu board.
- Garbage and recycling containers are available.

Incentives can be used to encourage good practice and develop better communication with concessions (i.e. the exchange of views and information). Goals and rewards can help to maintain or increase standards (e.g. environmental

performance measurements such as decreased waste will result in a reward of no waste disposal fees for the concessionaire).

To ensure that food concession facilities and properties are well-planned, managed and operated, some standards should also exist for monitoring and evaluating concession on a broader level to include activities such as communication, products and service, training, purchasing, environmental initiatives, etc.

6.3 Sanitation, Health and Safety

Food concessions will be subject to inspection for compliance with all applicable health and sanitation requirements of all government agencies. Furthermore, the Park Agency may inspect each food concession for sanitation on a periodic basis. It is vital to deliver effective hygiene standards and clean safe food. Fire protection and procedures should be addressed in addition to first aid (ex. emergency phone numbers), and smoking regulations. Appropriate sanitation and health standards should be in place to monitor and properly manage food. These could include food protection measures (e.g. hot food stored properly), food equipment use (e.g. utensils with proper handles); poisonous compounds (e.g. bleach and detergent) should be stored properly, adequate plumbing (e.g. separate sink for washing hands), and personnel hygiene (e.g. hair nets for personnel involved in food preparation).

6.4 Environmental Concern and Waste Management

Food concessions can be prodigious producers of waste, both inorganic wastes from packaging and organic waste from food. All food concessions should incorporate sustainable principles and practices in all aspects of operation. This will help to reduce negative impacts on the natural environment and will enhance visitor use and enjoyment of the park without causing unacceptable impacts to park resources or values. Possibilities include: sale of products with minimum packaging and careful control of food portions to avoid waste. Food waste can be a powerful attractor for wild animals. Therefore, food waste management must be carefully considered during concession contracting.

Concessions, Licences and Permits

Parks are mandated to serve the travelling population of a country. They often also serve foreign visitors. These two groups of people have a diverse range of food interests and needs; presents a challenge. The use of locally grown food provides a much higher positive impact to local farmers. However, foreign travelers often demand the importation of foods from foreign lands, thereby leading to substantial economic leakage.

The concessionaire and the Park Agency must determine hours of operation. The overall interest of the traveling public must be kept in mind. In general the park agency, which represents the public interest, decides when facilities must be open. However, the concessionaire may want to limit the hours of operation, and to avoid periods of low use. Food providers have a role in park information and interpretation. Themed menus, placemats, and building design can be used to influence cultural appreciation. Cultural, historic and natural themes that are relevant and appropriate to the park should be used. As with all interpretation programs, special regard must be paid to the rendition of aboriginal peoples' cultural and historic traditions. Restaurant's décor and furnishing can also display historic, cultural or natural themes.

Staff training on environmental and cultural issues and facts associated with the park must be mandatory. The staff must have sufficient knowledge to answer patrons' questions about the park and be able to act as unofficial interpreters. They serve to enrich the experience of the visitor and instill environmentally and culturally responsible actions and ethics within visitors.

All forms of communication (e.g. web sites, advertisements) must be approved by the park agency prior to distribution. The concessionaire and the Park Agency must agree a timeline for approval on. Legitimacy in communications with the public is often an important point for park agencies, in particular because they are government agents. Many park agencies request that concessionaires identify their "official concessionaire" status on any piece of promotional literature, signifying that there are authorized to act as legitimate agents for the park, and the promotional material that they are sending out is part of their mandate. This gives the park agency an appearance of final authority, and serves to ensure the general public of a certain level of service and legitimacy.

Promotional efforts must also be culturally, socially, and environmentally responsible, reflecting the goals of the park agency. For example depictions of aboriginal peoples or ecologically sensitive environments must be done in a very careful manner, or

Concessions, Licences and Permits

perhaps not at all. Demarketing of certain images, such as over-visited park sites or fragile ecosystems should be included in the promotional strategies of the concessionaire.

Chapter 7: Tourism Guiding and Interpretation

7.0 Outfitting Guide Management

The Role of Outfitting Guides

In protected areas, particularly so in wilderness areas, outfitting guides provide assistance to visitors seeking a quality experience. Although guiding typically represents a relatively small fraction of the total visitation experience, it is an important opportunity for many visitors, the Agency, the resources, and the economy of the local communities. Outfitting guides are allowed in an area are to ensure that the public has reasonable and safe access to the protected area, meanwhile receiving educational information, natural history and cultural resource interpretation. The outfitting guides should have an understanding of and a personal appreciation for the wilderness resource. They are expected to pass on to the visitors the site's history, ethics and values, so as to encourage the visitor's learning.

In some locales, such as environmentally or culturally significant sites, access by the public can only occur in the presence of a licensed guide. This helps ensure low negative impact and high levels of education. Such a policy also assists with creating positive economic impacts through jobs for local people.

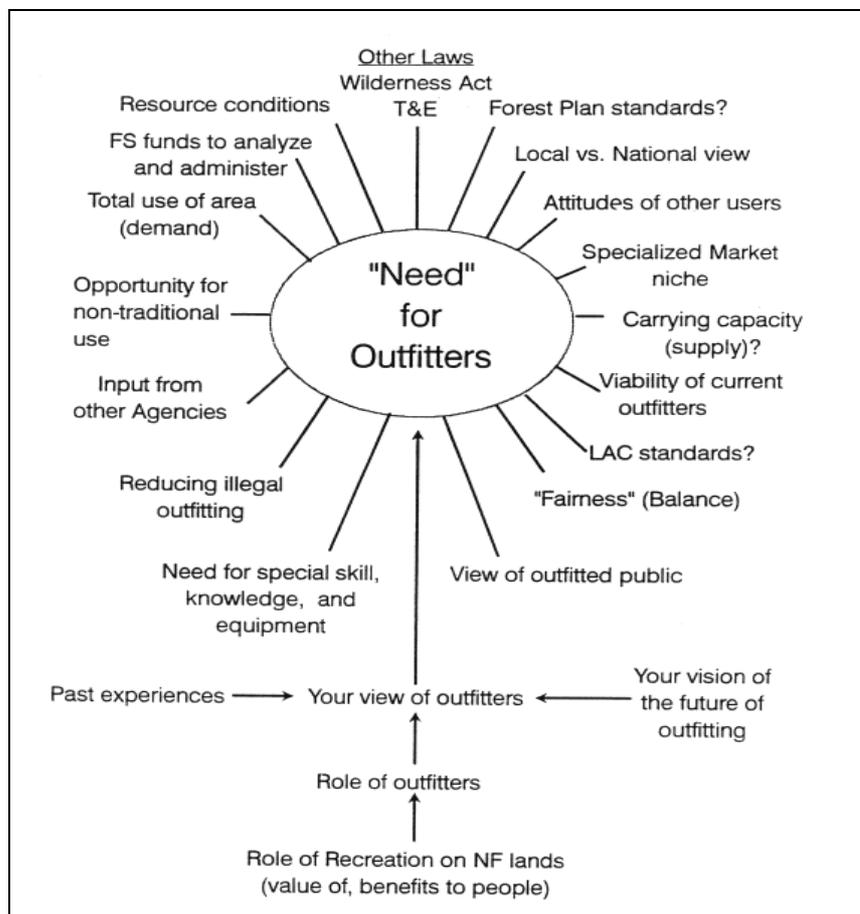
Outfitting Guide Responsibility

The outfitters bear significant responsibility both to the Park Agency and to the visitors, their clients. Their service to the customers and the care of the protected area must be of a high standard. The outfitting guide permit requires compliance with laws and regulations of all levels. The guides also have the duty to advise visitors of all applicable conservation and game laws, and report all violations to the appropriate law enforcement officer. They must at all times cooperate fully with private landowners, public land management agencies, other holders, forest users and respect their rights and privilege.

Need Assessment/Feasibility Studies

The need for outfitting and guiding is determined by the Park Agency, with full consideration given to input from prospective visitors, other agencies, other users, current outfitter viability, outfitter proposals, and developing trends in recreation activities. The determination factors are complex and wide-range (Figure 4). It is, therefore, important for the Agency to do it professionally and in an unbiased manner, with a principle objective of making visitors consider their visit to the protected area a highly worthy and memorable experience.

Figure 4: Factors influencing needs assessment



Source: USDA Forest Service, Outfitting and Guide Administrative Guidebook 2000.

A needs assessment has identifiable components, which can be grouped into six headings: agency mission, opportunities, land capability, social capacity, demand/supply, and input from others. Each of these components should be briefly addressed in the assessment.

Concessions, Licences and Permits

a. Agency Mission: The points include the goals of education and interpretation for visitors, protection of sensitive resources, building positive protected area constituencies, business viability, fostering access to opportunities, and curbing illegal outfitting.

b. Opportunities: This category focuses on the protected area outfitting opportunities based on the historical, current, and potential picture. Some opportunities may be identified by the agency and some others by proponents. Opportunities include the contribution to the protected/natural area development and the economy of the local community. It is helpful to describe the opportunities in detail to assist analysis.

c. Land Capability: Consideration should be given to how current use is distributed both in time and space. The capability of the resources to handle the uses is a key element in the determination of the number and timing of visitation. Management objectives may also involve factors with resource concerns other than recreation.

d. Social Capacity: The social capacity is normally more constraining than the resource capability, as judgments of social capacity are quite subjective and there is so far no single widely-accepted method of determining such capacity. The assessment requires some knowledge of current use levels, historical levels of outfitted use, some thought given to whether the area is approaching an optimum level of total use, and a sense of fairness and balance in allocating an appropriate amount to both the outfitted and non-outfitted public. (USDA Guidebook 2000).

e. Demand/Supply: What is the current necessity and availability of outfitted service in the protected area? Are there enough requests from the public who need the specialized knowledge, skill, and equipment? Do these people have access to the area? Is there a larger demand for outfitting than the current supply?

f. Input from Others: The needs assessment should be a public process, in that comments from interested individuals, groups, agencies, and licensing boards

should be solicited.

The "needs assessment" process must show that the Park Agency has made effort to approach the subject with an open, fair-minded analysis, using best objective of information available.

Guide Licencing

A guide licence is a certificate issued by government agency to a tour guide who meets the minimum operating requirements. This licence can be assigned to an individual or to company. The licence can be assigned to all people who meet minimum qualifications or a limited number of people who have the highest qualifications.

Guide licensing is an assurance of reasonable guide quality. Licensing can also be adopted to limit competition and increase guide wages, or to protect local employees. Many areas, especially in developing countries, do not have licensing (Tierney 1998). Discussions and debates concerning the need to certify tour guides are considerable. Nevertheless it is generally acknowledged that tour guides should be certified and have some basic entry qualification. It is essential for the Park Agency to consider whether there is need for formal licensing through legislation, in order to maintain long-term stability and professionalism of tour guides. In areas with no tradition of guiding legislation, there is often a need for a gradual introduction of a certification/registration/licensing system. Alternatively the Park Agency can adopt a self-regulated system when there are no legally enforceable measures to make the industry comply (Ap & Wong 2000).

Certification provides a number of benefits to a range of consumers, including the visitors, tour operators, as well as the tour guides. The reasons for adopting and implementing a licensing system include:

1. The certified guides can enjoy a defined competitive edge, thus the livelihood of their services is protected;
2. Operators can make use of the simple method of recognizing quality guides, which also provides a benchmark to use for training and incentive purpose;
3. It is a good opportunity for both the operators and tour guides to promote guiding services;

4. Visitors gain a guarantee of guiding professionalism, especially in case of ecotourism in protected area, where a specialized interpretation providing nature tourism and ecotourism experiences is significant; and,
5. Protected area managers have a potential advantage and ability to identify operators who employ staff with appropriate training and qualifications (EAA Website, 2002).

7.1 Choosing the Best Guide and Outfitter

Submitting an Application

Key components of an outfitter permit application are:

1. Applicant name and address,
2. Designated agent name, title and address,
3. Phone numbers,
4. Applicant status (individual, corporation, etc). (This information is crucial for knowing the identity of the applicant and the capability for them to assume the tasks),
5. Detailed description of services to be performed,
6. Technical and financial capability,
7. Assurance of Non-discrimination, and,
8. Other information.

Choosing Between Outfitting Guides

The following evaluation/selection criteria may be useful in judging among the applicants:

1. Qualifying business experience,
2. Knowledge of the area,
3. Educational-interpretive ability,
4. Availability of good equipment,
5. Certifications received,
6. Service concept,
7. Financial resources,

Concessions, Licences and Permits

8. Knowledge of the subject,
9. Operating plan proposal,
10. Safety/health capability/procedures,
11. Training attended,
12. References related to the above.

Issuance of Permit to the Guide

Outfitting and guiding permits may be issued when one or more of the following occurs:

1. An increased allocation, capacity, or public need is identified through the protected areas planning process;
2. Competitive interest arises;
3. The submitted application to provide outfitter and guide services has not previously been authorized; and,
4. An existing permit expires or terminates.

7.2 Evaluation of Guide and Outfitting Performance

Guides and outfitters work outside of the normal observation of park agency staff. Therefore, it is possible for their work to be outside the specifications of the guiding licence, without the agency being aware of this fact. It is therefore necessary for the Park Agency to establish procedures for the evaluation of guides and outfitters as compared to the performance criteria established in the permit of operation.

Inspection of Performance

It is critical that the Park Agency insure that the terms of the permit are met, the operating plan is followed and the operation follows all applicable laws and regulations. These responsibilities may be carried out by performing inspections and by monitoring the holder's self-inspections, which provide the basis for the annual performance rating. Ideally, inspections should be carried out at least annually during the operating seasons.

For purposes of administering the permit (including ascertaining that fees paid were correct and evaluating the propriety of the fee base), the outfitters shall document all the accounting books and supporting records of business activities for analysis by the

Agency. Financial information so obtained should be treated as confidential by the Park Agency. In some cases, the outfitters are required to retain the records and keep them available for review for five years after the end of the year involved.

Annual Performance Evaluation and Rating

Annual performance evaluations on whether the permit holders' behaviours comply with the terms and conditions of the permit are necessary, but a formal performance evaluation is optional. The performance rating is based on inspections conducted during the operating seasons, and the financial and other requirements. Key to the evaluation and rating is how well the holder complies with terms and conditions of the permit and with the operating plan. The questions on the performance evaluations and ratings involve:

1. Who will conduct the program?
 - a. It can be an authorized officer from the Agency.
 - b. It can be an outside evaluator.
 - c. There can be a role for the use of guide clients as evaluators, the mystery shopper method.
2. What issues should be included?
 - a. A review of the season.
 - b. Items needing improvement.
 - c. Ideas offered by the outfitter.
 - d. Ideas offered by the clients.
 - e. Changes in the operating plan.
 - f. Special efforts worthy of commendation.
3. What does the rating categories like?
 - a. Service to public.
 - b. Compliance with permit conditions.
 - c. Compliance with operating plans.
 - d. Equipment/livestock.
 - e. Safety.
 - f. Resource protection.
 - g. Major incidents.

4. Conditions allowing the permit to be suspended revoked or terminated?
 - a. Non-Compliance with terms and conditions of the special use permit.
 - b. Failure to exercise the privileges granted.
 - c. With consent of the holder.
 - d. When, by its terms, a fixed or agreed upon time, event, or condition occurs.
 - e. Reasons in the public interest.

7.3 Concession and Licensing Fees for Guides and Outfitters

There are different types of fees associated with an outfitter guide permit. These types are detailed below.

1. Fee for Commercial Use. This is a fee for the permit privileges and use of lands in the protected area.
2. Assigned Site Fee. This is a fee for each assigned site requested by the outfitters and approved by the authorized officer.
3. Grazing Fee. This fee may be required if the outfitters grazed livestock in the park
4. Transfer Fee. This fee is assessed when there is a change of ownership and a new authorization is issued.

Accurate fee calculation can work when the fee system and necessary information from the outfitting guides are recorded and provided correctly to the Park Agency. For most operations, the outfitting guides have a record of bookings that include an itemized list of clients' information, recording the amount paid by each client and the dates on which the outfitting guiding services were provided. This record would be readily available for the outfitters to complete the actual use report required for reporting purposes and would be available for audit purposes.

7.4 General Tour Guide Management

Objectives of Tourism Guiding

Park tourism frequent relies on specialized interpretive tour guides to inform visitors and enhance their experiences by providing accurate and compelling interpretation of sites and features, and monitoring and modelling appropriate environmental and cultural

behaviour, in which way to maximize the benefits of tourism and minimize its negative effect (Weiler & Davis, 1993). Therefore major objectives of guiding are education and behavioral moulding.

Code of Conduct

In order to ensure a minimum level of service professionalism, a code of conduct for tour guides should be complied. This code can be used for both guide-licensing procedures and for licence compliance monitoring.

Guide Licensing

A Government agency licenses the outfitting company or permits it to operate in a protected area or region. Guides are the staff of the company. Outfitter licensing, together with guide licensing, is reasonable assurance of quality guiding. (Tierney 1998).

Responsibilities of Tour Guides in Protected Areas

Ecotour, heritage and nature guides who take visitors to protected areas shoulder the responsibility for providing high-quality interpretation of natural and heritage resources. The Park Agency should expect the guide to provide high-quality service to visitors in order to meet a variety of needs and expectations. Tour guides have the obligations to manage the visiting group, the itinerary and other logistical aspects of the experience to maximize not only visitor satisfaction but also profit margin (Cohen, 1985; Pond, 1993). Some specific responsibilities of tour guides in protected areas are to:

1. Provide tourism experiences.
2. Bring positive benefits to ecological system and avoid negative impacts.
3. Provide high-quality interpretation of natural and heritage resources.
4. Describe the way to avoid insulting behaviours to local residents.
5. Alert visitors to fragile environments and wildlife, and ways to avoid impacting them.
6. Present key protected area regulations accurately.
7. Allow opportunities for communication with local people.
8. Discourage (often it is prohibited) collection of souvenirs from natural areas, such as bones and feathers, unless condoned by local authorities.

9. Encourage catch and release of fish and other game species, unless plentiful, used for meals, and/or part of local game management plan.
10. Discourage feeding wildlife.
11. Discuss resource management activities and programs of local park agency.
12. Avoid bringing groups into already sensitive natural areas.
13. Discuss threats to the protected areas and indigenous cultures.
14. Use local facilities in compliance with environmental regulations.

Expertise of Tour Guides for Protected Areas

Tour guides need to master a wide range of knowledge and skills, such as:

1. General knowledge about the park and ecotourism principles;
2. The knowledge of the protected area (e.g. flora, fauna, geology, history, culture, etc) is the foundation of the tour guides' knowledge expertise.
3. Understanding the relationships between the sites' value and the tourist's needs.
4. Ethics and aesthetics.

This knowledge encourages the tour guides to better protect the area through appropriate education and directing of the visitors' behaviour. It also helps avoid the guides providing information of mere personal interest, with less of a concern for the impact of the tourism on the area.

Creativity in tourism service stimulates activity that links to an attempt to give good impressions to tourists. Original and impressive services encourage repeated visitation.

The guides must have a positive attitude towards service, willingness to help, respect, empathy, etc. The professionalism of a tour guide is reflected in their attitude towards the job. The interpretative strategy is based on the observation and understanding of the attitudes and tastes of the tourists.

The way of communicating the message is important. During interpretation, guides need good communication skills, including verbal or non-verbal (symbolic) aspects. Cross-cultural communication and special groups' needs must be understood. They must understand different ways of communication with visitors of different culture and language.

Training

Tourism in protected areas is often promoted in association with ecotourism (Weaver, 1998). In the context of ecotourism, the guide's roles of interpretation and education for minimal impact are particularly important (Weiler *et al.*, 1991; Weiler & Ham, 1999). They have a pivotal role to play in the ecotourism experience, such as safety of the tourists, providing accurate interpretation and modelling appropriate environmental and cultural behaviour (Black, Ham and Weiler, 2000).

In order for the guides to be able to serve a wide range of interests in tourism in protected areas, there should be appropriate training and education that provides the guides with necessary knowledge and skills. Training and educational programmes can increase the guides' awareness of environmental and socio-cultural impact of tourism in protected areas, meanwhile enabling the guide to assist in the management of protected areas by ensuring minimal impact behavior and assisting in enforcing park regulations (Weiler *et al.*, 1991; Weiler & Ham, 1999).

The responsibilities of training and education of the tour guides can be taken by organizations including the Park Agency, tour operators, other natural resource management agencies, NGOs, voluntary conservation organizations and specialized educational institutions. Before training, three questions should be given thought:

- Should the training program be local or foreign?
- Is training structured?
- What forms of training and teaching approaches should be used?

The Rationale of Training

The rationale and principles of training process, content and methods are identified and analyzed in depth by Ham (2002).

Principles for the Training Process

The initiative for training should come from the host country and ownership should remain with the host country (Ham 2002). Training local people to be interpretive guides can help achieve not only ecological sustainability but also economic sustainability of the local population. It represents an important sustainable development strategy in that, it is built on long-term local capacity and thus is free from external dependence (Ham 2001).

Concessions, Licences and Permits

When there is an involvement of local know-how, and preparation of local trainers, the goal of sustainable development of human capacity in protected area and its local community, is represented. Moreover, retaining the ownership in the hands of local players ensures that the objectives of each training course were compatible and appropriate to the host country and thus ensure that training are allocated to those who most needed it.

Principles for Curriculum Content, Training Approach and Methods

Training content and methods should be informed by the literature on what constitutes good or best practice guiding, the adult training literature, and the trainers' prior experience, with appropriate customization to meet local needs"(Ham 2002).

Noted by some authors, there are basically three types of training: 1) knowledge of the products (e.g. flora, fauna, geology, history, culture and site knowledge); 2) language training; 3) interpretive guiding skills for delivering high-quality interpretation and managing tourist experience (Green COM, 1999; Ham & Weiler, 1999). Some sample courses include:

- (a) Introduction to tourism and role of the guide;
- (b) Ecotourism principles including minimizing impact;
- (c) Visitor profiles and expectations;
- (d) The interpretive approach to communication;
- (e) Customer service;
- (f) Leadership and group management;
- (g) Communicating across cultures and with people of special needs.

Principle of Evaluation

The training results must be systemically evaluated, and the experience and lessons learned should be kept record and widely broadcasted for a better future work. The approaches of evaluation can be: 1) to determine whether the training has achieved its stated objectives; 2) to decide the contribution made by training to the relevant organization; and 3) to infer experience for future training. The evaluation program can be carried out through a post-course evaluation, self-assessment, and observations by trainers, etc.

7.5 Guide Remuneration

The guide payment system generally consists of: the basic salary, a commission, plus tips. In some countries or regions, the tour guide does not get all tips received from tourists. Tips and shopping commissions thus may be distributed to other sectors, such as: the tour guide, the tour escort or driver, any local operator and the travel agency.

7.6 Liability Insurance

Liability insurance is required for each outfitting guide special-use authorization. Liability insurance protects the guides and the country from liability to the public for property damage, and bodily injury or death for which the guide may be liable.

When determining the insurance coverage, several key elements must be included: 1) The level of inherent risk associated with the use and occupancy; 2) The potential for an incident that may cause injury or death arising out of the use and occupancy; 3) The potential for injury or death to only one person; versus the potential for injury or death to more than one person. An example occurs in the USA, where under the U.S. Forest Service regulation, the minimum amount of liability insurance coverage is \$100,000 for injury or death to one person, and \$200,000 for injury or death to two or more people.

Chapter 8: Research Recommendations

This initial review provides a basic understanding of the issues involved in park tourism concessions. It has also reveals a number of gaps in knowledge and many situations where more work is needed to evaluate the best approaches and options for Park Agencies to use. This analysis leads to recommendations for further work, in two categories. One category involves the on-going work of concession management by park agencies. The other category involves larger issues of policy, planning and trends.

Recommendations for Research on Existing Concession Management

The most important gaps of knowledge in concession management in park agencies require research on the following questions.

1. What are the major problems identified by park agencies in their;
 - a. Selection of concessions, and
 - b. Management of concessions?
2. What products and services are now provided by concessionaires within parks?
3. Why are concessionaires, rather than park agency staff, providing these products and services?
4. What are the types and ranges of fees and charges collected by park agencies?
5. What are the contract lengths?
6. What criteria are used by park agencies for concessionaire choice?
7. What arrangements are now in place for product pricing? Are prices set by concessionaires or by a negotiated process?

Concessions, Licences and Permits

8. What types of training do existing park staff members have in park concession management?
9. Do management staff wish more training in park concession management?
10. How many contact enforcement issues occur over the length of a standard concession agreement?
11. What service quality measurement is now used by park agencies to evaluate client satisfaction with concessionaire services and products?
12. Are there social indicators now used for concession selection, such as local community development and aboriginal community development?
13. What types of information on agreement compliance is now sought by park agencies?
14. What level of compliance information do concessionaires now provide to park agencies?
15. Are independent compliance auditors used? If so, under what conditions?
16. How often are non-compliance penalties applied?
17. How often do concession contract conflicts go to the courts for resolution?

Recommendations for Research on Policy, Planning and Trends

The most important recommendations in concession management policy, planning and trends in park agencies involve research into the following questions.

1. Do contract lengths correlate with gross economic value of the contract?

Concessions, Licences and Permits

2. What formal policies now occur in Canadian park agencies for concession planning and management?
3. Is there a trend for park agencies to move from profit-making concessionaires to non-profit concessionaires?
4. What is the existing state of public disclosure of concessionaire information, such as selection procedures, service and product satisfaction and degree of compliance?
5. Do the products and services now provided by concessionaires within Canadian parks vary province by province?
6. In a typical tourist trip experience, what percentage of contact time occurs with a concessionaire (or his products) compared to that of a park agency staff (or her products)?
7. What concession agreement conflict resolution procedures are now available?
8. What personal and financial resources are necessary within a park agency for effective concession planning and management?
9. What is the range of opportunities available to assess concessionaire compliance in the absence of an independent and honest park agency and conflict resolution system?
10. What information, training policies or legislation do park agencies need to improve the planning and management of park concessions in Canadian parks?

Chapter 9: Recommendations

This report provides an initial set of comments on the issues involved in concessions, licences and permits in parks. Even though these are major management issues in virtually all parks and protected areas, the research and literature in the field is sparse. This report is current up to 2003. Work conducted since that time is only partially included.

An important finding in the preparation of this manual is how much the application of concessions, licences and permits in parks is done in the absence of professionally-trained staff and often without coherent park agency policy. Many parks use private sector groups for services because the park agency does not have the legal ability to function like a business, and therefore can offer the services. It is our feeling that the choice of which management model to use, should be based on the best possible outcomes for the park, for the environment and for the visitors. Therefore, we recommend that every park agency be given the full legal authority to function like a business, so that management decisions are made on proper business principles.

Those who have the responsibility to undertake outsourcing must be given the requisite training. This manual can assist with this training.

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Appendix A: Concession Glossary

CONCESSION

A concession is a commercial operation governed by a private enterprise (the most common scenario), by an NGO or other not-for-profit organization, by a local government, or by a Park Agency's employees. A concession provides public service and may require some capital investment by a concessionaire for buildings, equipment and operating costs. A concession could provide accommodation, food and beverage, recreation, education, retail, and interpretive services.

CONCESSION CONTRACT

For any concession to operate there must be a legal agreement between a country's government authorities, administered through a protected area agency, and a concessionaire. It contains regulatory and contractual provisions to be respected by both parties.

CONCESSION MANAGER

A concession manager supervises each concession contract. This person is an employee or a team of employees of a protected area agency that possesses authority to administer and supervise concession contracts in a protected area.

CONCESSIONAIRE

An individual, organization, or a corporation that operates commercial services for visitors in a protected area is known as a concessionaire.

FRANCHISE FEE

A franchise fee is a concessionaire's payment to a protected area agency for the privilege of conducting business in a park. The franchise fee is usually a fixed rate payable on an annual basis at a fixed date.

GROSS RECEIPTS

Concessions, Licences and Permits

The total amount of money collected by a concessionaire from a business operation conducted in a protected area is known as the gross receipts.

GUIDING

Guiding is the provision of services or assistance (such as supervision, protection, education, training, packing, touring, subsistence, interpretation, or other assistance to individuals or groups in their pursuit of a natural resource-based outdoor activity) for pecuniary remuneration or other gain. The term "guide" includes the holder's employees, agents, and instructors.

INCIDENTAL BUSINESS PERMIT

The Incidental Business Permit (IBP) is a simplest written form of authorization that allows the operation of a concession business that provides commercial services for visitors in a protected area.

INTERPRETATION

Originally defined by Tilden (1957), interpretation is an educational activity aimed at revealing meanings and relationships to people about the places they visit and the things they see and do there. Ham (2002) defined interpretive guiding in the context of eco-tourism as "the application of the principles of ecotourism and interpretation to leading tour groups and managing the visitor's experience."

LAW OF CONCESSION

The Law of Concession is a statute that regulates the manner and conditions under which the protected areas' concessions are to be used, i.e., the law giving permission for concession activities concerning the protected areas of public interest. The right to a concession is usually granted by a country's national government and administered by a protected area agency. The right to concession could be granted to domestic and/or foreign persons, organizations, and corporations, upon compliance with the country's Concession Law.

MAJOR CONCESSION

Concessions, Licences and Permits

A major concession is a commercial operation where a concessionaire is authorized by a protected area agency to operate a business in a protected natural setting for a long period of time (5 to 20 years) as it relates to both privileges and facilities. This type of operation requires a comprehensive contract between a protected area agency and a concessionaire; the contract must clearly stipulate the rights and responsibilities of both parties. The tendering of major concessions is advertised with abundant public notification. Major concession contracts include the provision for a concessionaire to pay a protected area agency for the license to operate.

MINOR CONCESSION

A minor concession is a commercial operation authorized to operate in a protected area for a limited period of time, say from 1 to 5 year). Minor concession contracts are the subject to public notice requirements. The contract between a protected area agency and a concessionaire includes the payment terms. Minor concessions usually operate in facilities that may temporary. They may be sporadic in nature.

OUTFITTING AND GUIDE CONCESSIONS CONTRACT

This is a concessions contract that solely authorizes the provision of specialized backcountry outdoor recreation guide services which require the employment of specially trained and experienced guides to accompany park visitors in the backcountry so as to provide a safe and enjoyable experience for visitors who otherwise may not have the skills and equipment to engage in such activity.

OUTFITTER GUIDE LICENSE

An outfitter guide licence is an authority secured from the appropriate protected area agency and/or the Board of Outfitters and Professional Guides to engage in the business of outfitting and/or guiding.

PERCENTAGE PAYMENT

A concessionaire may be required to pay to a protected area agency a fee based on the gross revenues earned by the concessionaire. The amount of this fee and the

Concessions, Licences and Permits

payment terms are determined in the negotiation of the granting of the concession license.

PROSPECTUS

A prospectus is a written document created by a protected area agency to solicit and select concession candidates for the operation of concession services in a protected area. A prospectus describes commercial visitor service opportunities in a protected area.

SERVICE POLICY ON CONCESSIONS IN PROTECTED AREAS

As stipulated by a country's law on concession, concession activities in the protected areas may be permitted. They provide a source of income for the protected area agencies and provide facilities and services for public's needs. The protected area agencies award concession contracts and permits where public visitation is sufficiently large for a viable economic venture. Concession activities must be appropriate and compatible with the mission of a protected area agency.