



Tourism Entrance and Activity Fees

Primary Author: Annabelle Bladon

**Acknowledgements: Barry Spergel, David Meyers, John Bohorquez, James Tolisano
CFA Conservation Finance Guide Task Force; Global BIOFIN Team**

September 2019



The CFA and BIOFIN would like to thank the following donors and partners for their support:



Tourism Entrance and Activity Fees

Tourism entrance and activity fees are fees charged to tourists for access to a protected area or natural site of interest, for use of its facilities, and for specific site-based recreational activities. Revenues from these fees can contribute to biodiversity conservation through retention by specific sites or protected area systems, revenue sharing agreements with communities, and earmarked transfers from the central government or agencies.

1. Understanding Entrance and Activity Fees

1.1 How Does it Work?

Entrance and activity fees are charged to tourists for access to a protected area (PA) or natural site of interest, use of its facilities, or participation in specific site-based recreational activities. This user fee mechanism is derived from the 'user-pays' principle; tourists gain value in experiencing PAs and sites of interest, and charging fees for that experience captures a part of that value. If revenues can be retained by a PA system directly – through a park account or environmental/conservation trust fund – or otherwise earmarked (ringfenced) for conservation use, these revenues can be an essential source of financing for PAs and other natural sites. Fees can also be structured to promote social objectives, such as recreation and education, and used as a tool for visitor management. The two types of fees can be categorized as follows:

- **Entrance fees:** Fees charged to tourists for access to or use of facilities inside a PA or natural site of interest. *For example, the Galapagos National Park charges entrance fees up to US\$100 per person, depending on age and nationality, 45 percent of which goes directly back to the Galapagos National Park Service. This generated approximately US\$10.5 million in total revenues in 2006 and supplied 46 percent of the park's budget requirements (Epler 2007).*
- **Activity fees:** Fees charged to tourists to participate in a recreational activity in a PA or natural site of interest – including, for example: scuba diving, snorkelling, camping, mooring a boat, hiking, wildlife viewing, etc. *For example, Bonaire National Marine Park operates a 'Nature Fee' system for scuba diving and other water-based activities (up to US\$25 per person). The park is financed solely through these fees, and legislation requires that revenues from the fees be used for management of the park (DCNA 2014).*

These two solutions can be used in combination and together with other complementary financing tools. This entry focuses on financing PAs through entrance and activity fees, but revenues can be channelled into other conservation efforts, such as species conservation at local, regional, or national levels. There are a range of other finance solutions that capture revenues from tourism, including concessions, taxes, and donations from visitors and businesses, which are not featured here; neither are site-based revenues from activities conducted in and around PAs that are not related to tourism – such as research, film-making, and subsistence fishing and hunting.

Key design features of entrance and activity fees include the governance and management of the PA, pricing structure, social process and safeguards, ecological design, and use reporting of revenues (see 2.3 for guidance on design). Fees are mostly charged per individual (or per vehicle for entrance fees) and per entry, usually for a specified period (e.g. per day or per year). For example, Bonaire National Marine Park offers divers the choice of an annual or daily fee

([DCNA 2014](#)); South African National Parks (SANParks) offers an annual ‘[Wild Card](#)’ membership that gives an individual/couple/family unlimited entry to 80+ National Parks, Reserves and Resorts around Southern Africa; and Galapagos National Park charges a one-time fee for the entire duration of stay (up to three months; [Epler 2007](#)).

Fees are commonly fixed but can be set at a flat rate or scaled according to factors such as residency, income, age, and day of the week. For example, to enter the Galapagos National Park, foreign nationals pay US\$100 and residents of Ecuador pay US\$6 ([Epler 2007](#)). Pricing can also be differentiated by type of activity – sometimes with the aim of minimizing negative ecological and biophysical impacts of tourism, and sometimes with the aim of maximizing revenue generation (people are often willing to pay relatively high fees for specific activities, such as scuba diving; [Depondt & Green 2006](#)). For example, in Bonaire National Marine Park, non-residents engaging in water-based activities must purchase and display a tag (annual pass) which costs US\$25 for scuba diving and US\$10 for all other water-based activities ([DCNA 2014](#)).

1.2 Stakeholders

Tourism in PAs and other natural sites – and therefore entrance and activity fees – involve a wide range of stakeholders including government, private tourism companies, and individual PA visitors. The key groups of stakeholders involved are outlined below, along with their roles and motivations for involvement.

Regulatory entity/ies: The government entity/ies mandated by the law to regulate and govern entrance and activity fee systems at national and sub-national levels may include the ministry responsible for environmental policy, laws, regulations, monitoring and evaluation; the ministry responsible for making budget allocations to PAs (the principal source of PA funding; [Flores & Bovarnick 2016](#)); and government or parastatal entities responsible for helping to market PA tourism at national, regional, and local levels.

Protected area authority/ies or partners: Depending on the model of PA management, the authority might be a government entity, a parastatal agency, an NGO, a private company, a social enterprise¹, a community-based organization (see details of each below), or two or more of these groups working in partnership or under the auspices of an agreement. The majority of PAs are public, or under a [Public-Private Partnership](#) (PPP), but fees are also implemented in Privately Protected Areas.

- **Government entities:** PA management may be the responsibility of local, state, or national government and often involves specific sub-departments or parastatal agencies (see below) at a combination of different levels. Different PA types are often managed by different government entities. For example, in Tanzania, national parks are managed by Tanzania National Parks, game reserves and wildlife management areas are managed by the Wildlife Division/Tanzania Wildlife Management Authority, and the Ngorongoro Conservation Area has its own designated management authority ([Spenceley, Rylance & Laiser 2017](#)).
- **Parastatal agencies:** Some countries have assigned the management of PAs to parastatal (also called quasi-governmental) agencies for improved management efficiency ([Eagles 2002](#)). These public-sector organisations tend to manage their own budgets, can capture and spend revenue, can contract directly with staff and partners, and thus have greater flexibility than government to establish, capture, and spend

¹ For example: [African Parks](#), [Blue finance](#)

revenue streams from entrance and activity fees. An example is South Africa's KwaZulu-Natal Nature Conservation Service, which became a parastatal, Ezemvelo KZN Wildlife, in 1998 ([Motau & Wale 2018](#)).

- **Non-governmental organizations (NGOs):** In many countries, local or international NGOs have taken on management roles for PAs including direct management (management concessions), co-management with government or local communities, or simply providing technical support. Where PAs or other sites are managed directly by NGOs, they would establish, capture, and mostly have the ability to spend entrance and activity fees. In other circumstances, NGOs are partners that provide technical support and represent community or other interest groups in discussions on entrance and activity fees.
- **Foundations:** There are some cases where foundations have a direct or important indirect role in PA management, finance and related fees. As compared to NGOs, foundations are more typically comprised of smaller memberships (sometimes a single donor) and focus on a particular PA. All of the protected areas in each of the six Dutch Caribbean islands are managed by legally independent foundations that have been separately established for each island. In other parts of the world there are also foundations who manage a particular park. For example, the foundation STINAPA Bonaire manages two PAs in Bonaire, one terrestrial and one marine ([DCNA 2014](#)).
- **Private companies:** Companies may be directly responsible for, or partners in, PA management. They typically seek to maximize profit and minimize costs, but they may also take an active role in promoting a PA or other site and thus may seek to negotiate for lower entrance fees. Some private companies are social enterprises and may act like a hybrid between a private company and an NGO.
- **Community-based organisations:** Some PAs are under systems of community-based management, which involves the participation of local communities with current or historic ownership or use rights over those PAs (e.g. see Namibia – [Naidoo et al. 2015](#)). They will usually seek to maximize tourism revenues and protect their resources, but often require government approval for fee adjustments.

Service provider(s): Government entity, private company, community-based organisation, or NGO that operates a nature-based recreational activity for which the fee is charged (see motivations above).

Local communities: Local people may seek employment and business opportunities from tourism and can experience other positive or negative impacts in and around their local area. A sustainable tourism operation in or around PAs can generate substantial job and other livelihood opportunities for local communities, but it is important that the views and concerns of community stakeholders are built into tourism management plans (Leung et al. 2018).

Tourists / protected area visitors: Both foreign and domestic tourists are generally willing to pay to use PAs and participate in nature-based recreational activities. Research indicates that visitors' willingness to pay will increase if they understand the positive impacts that entrance and user fees have for conservation and when the tourists are informed that the fees will be used primarily for conservation of visited sites (Leung et al. 2018, Peters & Hawkins 2009). Good communication to these primary stakeholders can therefore be financially rewarding (see entry on Volunteer Tourism and Donations).

Private companies: Beyond involvement in PA management or tourism service delivery, private companies may have other economic interests in PAs (e.g. resource extraction, hospitality). For example, this may include hotels and cruise lines, which are not necessarily service providers for nature-based recreation, but in many cases can facilitate the collection of fees. Their engagement can be motivated by the fact that their visitor numbers and satisfaction can be positively affected by the existence of well managed PAs.

1.3 Potential in Monetary Terms

The travel and tourism industry is one of the world's largest and fastest growing industries. The World Travel & Tourism Council (WTTC) estimated that international tourist arrivals reached nearly 1.3 billion in 2016, generating expenditure of US\$1.4 trillion, which is projected to increase by 4.5 percent per year by 2027 ([WTTC 2017](#)). Including domestic tourists, travel and tourism was estimated to make up 10.2 percent of global GDP in 2016 and forecast to rise to 11.4 percent of GDP in 2022. Nature-based tourism and ecotourism make up an increasing proportion of this industry ([Epler Wood 2002](#); [Balmford et al. 2009](#)). Research on terrestrial PAs alone indicates that PA visits generate an annual US\$600 billion in direct in-country expenditure and US\$250 billion in consumer surplus – compared to less than US\$10 billion estimated to be directly spent annually on PA management worldwide ([Balmford et al. 2015](#)).

The financial benefits of tourism are largely captured by hotels, transport, and other sectors, but not always captured by PAs, so entrance and activity fees provide an essential means for PA authorities to generate revenues from tourism for allocation to PA management. The most thorough survey of PA financing to date compared 20 countries in Latin America and the Caribbean (LAC), and found that entrance and activity fees generated US\$39.6 million per year for PA systems – 76 percent of total revenue generated by PAs in the region, and nearly 10 percent of total funding available for PAs in the region ([Bovarnick et al. 2010](#)). In most LAC countries, these revenues are generated by only a few PAs, which suggests that with investment in the right infrastructure, entrance and activity fees could generate much greater revenues.

When tourism demand is high and management is efficient, entrance fees can be the most significant source of self-generated PA revenues, providing a potentially large portion of annual operation costs (e.g. human resources, maintenance, equipment, and utilities) – but rarely total costs. Revenue potential is increased in unique environments where fees can be set relatively high, depending on levels of visitation. Entrance fees alone represented over 80 percent of total site-based revenues in more than half of the LAC countries, and in Paraguay, Chile, and Mexico, entrance fees provided 100 percent of site-based revenues ([Bovarnick et al. 2010](#)). Across LAC, entrance fees generated nearly eight percent of total funding for PA systems in the region. In the Galapagos National Park, entrance fees cover 46 percent of operation costs ([Epler 2007](#)), while in Komodo National Park, Indonesia, they contribute only 6.9 percent of park management costs ([Walpole et al. 2008](#)).

In marine environments, scuba diving has the potential to generate high revenues – usually through activity fees, or sometimes through entrance fees to a PA where the diving takes place. Countries with Marine Protected Areas (MPAs) that already cover most, or all, of their expenses through fees include Belize (Hol Chan Marine Reserve), Egypt (Ras Mohammed National Park), Bonaire, and Palau ([Lindberg 2001](#)). Divers are willing to pay significant sums to protect marine habitats across the world – particularly in the Caribbean and South East Asia ([Roberts &](#)

[Hawkins 2000](#); [Depondt & Green 2006](#)). Diving fees could potentially make up 78 percent of the financial shortfall in Caribbean MPAs ([Green & Donnelly 2003](#)), if more were to charge fees.

1.4 When is it Feasible and Appropriate?

Entrance and activity fee systems should be both feasible and appropriate for the socio-political, economic, environmental/ecological, and financial context. Key factors are as follows ([Lindberg 2001](#); [Eagles 2002](#); Leung et al. 2018):

- The decision to charge fees should be driven by appropriate management objectives – such as visitor management, cost recovery, generation of profit, or generation of local business opportunities.
- The socio-political dynamics of the country underpin fee acceptability (e.g. in some countries, people may not view it as appropriate to charge citizens fees to access public land).
- There should be a clear legal framework for implementation of entrance and/or activity fees and guaranteed return of a percentage of fee revenues to PA management and adjacent communities – or at least the political will to enact new legislation (see 2.3.5 for details). This legal reform can be lengthy process.
- The level of investment required will affect how appropriate a fee system is. Costs depend on the current stage of development of a site and its capacity to develop, implement, and monitor the impact of tourism fee mechanisms. Investment may be required to cover additional salaries for PA rangers and staff skilled in financial administration, marketing, and conservation; installation and maintenance of required infrastructure (e.g. ticket sales booths); and costs associated with training, security, marketing, and research to establish optimal pricing structures.
- Market demand, which depends mostly on a site's uniqueness and location, is critical for feasibility. In less popular sites, activity and entrance fees may not cover investment and running costs.

Activity fees can be charged either instead of or in addition to an entrance fee. Entrance fees are the most commonly used mechanism to generate revenues from tourism for PAs, since they can be relatively straightforward to establish (Leung et al. 2018). It is usually more cost-effective and acceptable to tourists to charge a single entrance fee rather than multiple small activity fees. But, in MPAs and very large terrestrial PAs with multiple points of entry, it can be more practical to charge fees at points of activity ([Font, Cochrane & Tapper 2004](#)). Although very rare, in some countries, legislation currently prohibits PAs from charging entrance fees. For instance, it is not currently legal to impose fees for entry to any publicly-owned conservation area in New Zealand, but fees may be set for the provision of PA facilities and services, and for tourism concessions (Leung et al. 2018). This type of open access for PAs is rare and generally limited to developed countries where government budgets are adequately covering PA management financing needs.

It should be noted that tourism itself is not appropriate in all circumstances. Proper zoning may be required to help exclude certain highly sensitive areas from tourism pressures, and some PAs may be too environmentally or culturally sensitive to support any level of visitation at all. For example, in Chiribiquete National Park in the Colombian Amazon, only overflights within carefully controlled flyways are allowed. Visitors are not allowed to enter the park on foot or by

boat to prevent resource impacts and, more importantly, to avoid contact with undocumented, voluntarily isolated indigenous tribes living deep within the jungle.

1.5 Strengths, Risks, and Challenges

Entrance and activity fees can have a wide range of environmental, economic, and social benefits – assuming that impacts are well managed, and some revenues are re-invested in the long-term maintenance of sites of interest (Leung et al. 2018). Their strengths as a finance solution are as follows ([Lindberg 2001](#); [Summers 2005](#); [Eagles & Hillel 2008](#); [Rylance, Snyman & Spenceley 2017](#)):

- Fees provide income for PA authorities to reinvest in conservation
- Fees can lead to economic efficiency in terms of maximizing social benefits – nature-based tourism typically generates costs, and free access would lead to the marginal user receiving less benefit than the cost that their visit generated
- Fees are equitable across users and non-users (in contrast to taxes) – i.e. the benefits received by a visitor can clearly be identified, and those who do not pay the fees can generally be excluded
- If revenues are earmarked/directly retained by a PA management entity, they can act as an incentive for cost-saving, accountability, and improved management (depending on institutional capacity), creating a positive cycle leading back to increased revenue generation
- Fees can be beneficial for local businesses, since free or under-priced access to recreation opportunities on public land may draw visitors away from private businesses operating elsewhere
- Fees can be used as a visitor management tool, and extra staff employed to collect fees can provide a management presence and means to inform and educate visitors, with potential to minimize negative impacts on wildlife or biophysical resources
- Revenues can be used to enhance site quality, which in turn increases acceptance of the fees among visitors and the tourism industry, and can potentially attract more tourists. If this tourism is well managed, it can have the following benefits:
 - Stimulate the local economy through employment and entrepreneurship in the tourism supply chain
 - Build awareness and support among visitors on the importance of conservation ([Powell & Ham 2008](#))
 - Provide a major incentive for communities in or near PAs to safeguard wildlife and avoid illegal or destructive activities, through direct social and economic benefits (Leung et al. 2018)
- Charging fees for access to and activities in specific sites of interest can raise awareness of the importance of these sites to local and regional economies, justifying political support and better funding for management (Leung et al. 2018)

The main challenges of using entrance and activity fees to capture revenues for conservation are as follows:

- If multi-tiered fee systems are not used (some countries have explicit or perceived legislative prohibitions on this) low-income or other socio-economic groups may be disproportionately affected by fees or excluded from benefiting from nature

- It can be costly to collect fees and PAs frequently lack the capacity, infrastructure, and financial resources required ([Lindberg 2001](#); [Bovarnick et al. 2010](#))
- Fee revenues can rarely cover all PA costs and, without other complementary measures, may offer only a limited relief to large funding gaps ([Eagles 2002](#))
- If the generation of revenues is highly concentrated in a few PAs, the remaining PAs and overall conservation impact may be further compromised
- It is necessary to ensure that fees will be used for parks and conservation, and to benefit impoverished local people living in buffer zones and intact areas of high conservation value, rather than being used to subsidize unrelated government activities and functions, or being appropriated for the benefit of politically powerful individuals or interest groups. This is different from the issue that is mentioned below of “corruption and bribery at fee collection points”.

The main risks of using entrance and activity fees to capture revenues for conservation are as follows: ([Font, Cochrane & Tapper 2004](#); [Lindberg 2001](#); [Summers 2005](#); Leung et al. 2018)

- Inefficient fee collection, including corruption and bribery at collection points, particularly if institutions and audit systems are weak
- Staff can end up focusing on maximizing fee collection and neglecting PA management (especially if staff are few)
- Revenues can be vulnerable to political interference or sudden policy changes (especially if they are channelled into a central treasury) and even if revenues are earmarked, politicians might reduce budget allocations by the amount generated through tourism fees, further compromising financial sustainability
- The volatility and seasonality of tourism demand can make tourism revenues an unpredictable and unreliable source of finance for conservation
- Earmarked revenues can incentivize PA or site staff to allow levels of visitation that compromise conservation and social values – more details on the negative environmental and socio-economic impacts of tourism can be found in [Tourism Financing for Conservation](#)
- Low public acceptance of fees resulting from concerns around the exclusion of citizens from public natural land and marine areas, or double taxation (i.e. residents paying taxes and user fees)
- In areas with limited economic opportunities, fees may lead to reduced tourism spending and subsequent opposition from the tourism industry, but conducting willingness-to-pay surveys may in many cases alleviate such opposition (e.g., in the case of the introduction of Belize’s “conservation levy” that all foreign tourists are required to pay), because the tourism industry is also quite concerned that their revenues may plummet if the resource becomes degraded or inadequately protected (particularly in the case of coral reefs and commercial dive operators, or if beaches or trails and sites become full of litter, etc.)

1.6 Practice Standards

Key practice standards for the design and implementation of entrance and activity fees are as follows:

- Fee systems should be part of robust PA management plans that balance sustainable tourism with conservation. The International Union for the Conservation of Nature

(IUCN) has developed a comprehensive set of guidelines for sustainable tourism and visitor management in PAs (Leung et al. 2018)

- Fee pricing should be based on a systematic financial assessment of the PA or PA system (including “willingness to pay” studies), and consider different options for determining the fee, such as by residency status, age, popularity of the site, or a combination thereof (Leung et al. 2018)
- A targeted marketing campaign can help attract a regular flow of visitors, or a specific group of visitors, and build acceptance of fees among specific groups of stakeholders ([Font, Cochrane & Tapper 2004](#))
- Management of fee systems by individual PA agencies can facilitate local ownership of the system and revenues collected, and allows fees to be more rapidly adjusted based on visitor numbers and preferences. Fee systems should be regularly reviewed (e.g. every two years; [Lindberg 2001](#))
- Institutional capacity should be established early on for fee setting and collection, financial administration, marketing, monitoring and evaluation etc.
- A strong communication strategy, including consistent and detailed reporting on PA revenues and full transparency on use of revenues, will help to build socio-political acceptance ([Font, Cochrane & Tapper 2004](#); [Rylance, Snyman & Spenceley 2017](#))
- Retention of revenues by PA agencies provides managers with an incentive to collect fees in an efficient manner and protects revenues from being used for other government activities or delayed by government accounting and budgeting processes ([Lindberg 2001](#); [Rylance, Snyman & Spenceley 2017](#)), although in some cases this may not be legally possible if a country’s constitution or national budget law requires that all revenues collected by government must go to the government’s central treasury
- Local community participation in planning and management can strengthen fee systems (Leung et al. 2018)
- Building community revenue-sharing agreements into fee system design can be an effective way to maximise socio-economic benefits for local communities and build support for conservation and tourism ([Spenceley, Snyman & Rylance 2017](#))
- Due to the unpredictable nature of tourism revenues, fee systems should always be part of a diverse profile of revenue sources

2. Methodology

This section provides detailed guidance and associated practice standards for the design, implementation, and evaluation of systems for entrance and activities fees. The guidance is not comprehensive; each area and country have their own specificities and challenges. Many systems have been established and improved through trial and error and, although we are seeking to minimize the error, there are likely to be many trials regardless.

2.1 Scoping

Entrance and activity fees are one group of options in a broad range of potential financing mechanisms for PAs. The goal of the scoping phase should be to establish whether they are a good approach for the PA or PA system in question, relative to other options. The management authority, in consultation with other stakeholders, should determine the general need and purpose of such revenues and which mechanism(s) are likely to be successful. This is best conducted as part of a system-wide strategy and individual PA (or site) business plan. The

output should be a clear tourism strategy that summarizes the findings of the scoping phase and specifies additional information that will be needed during the next phase. Questions for consideration include the following:

- **Motivation:** What are the reasons for the PA authority to develop an entrance or activity fee system (e.g. generating profit, recovering costs, managing visitor numbers, promoting learning, generating local business opportunities), and how might revenues be allocated?
- **Previous experience:** Does the PA have any existing tourism-based finance mechanisms; and, if so, how would the new mechanism complement these?
- **Stakeholders:** Who will be the essential stakeholders in the process?
- **Market demand:** How accessible, unique, and aesthetically attractive is the site? What is the level of infrastructure and development? How does the site link with existing destinations?
- **Legal framework:** Is there an official management and business plan in place? Are laws and regulations appropriate (e.g. do they allow for PA authorities to set and collect fees and reinvest revenues into conservation?) Is it possible to establish a legal entity and/or make policy adjustments possible to ensure revenues are allocated for conservation?
- **Management:** Are there strong management and technical skills available?
- **Financial support:** How could start-up costs be covered? Are accounting and audit systems in place to capture and report financials and metrics?

These initial scoping questions should identify if there are any major red flags (reasons that the mechanism will probably fail) and if so, whether they are surmountable. If there are significant risks or likely blockages, the initial focus should be on addressing those issues before advancing to the feasibility phase. High risk, low attractiveness, or low capacity would be reasons to seek other finance solutions for the site.

2.2 Feasibility

The goal of this phase is to assess the feasibility of the system and identify potential challenges and optimal design options. The feasibility study can be designed to assess one entrance or activity fee system, but it would ideally be part of a PA Business Planning process that reviews options for complete long-term financing of the PA or PA system. Typically, the PA management authority will commission a consultant with business and financial planning expertise to conduct a comprehensive feasibility study, which may take several months to complete. The study should feed financial, management, planning, and operations information into the design phase. A sample terms of reference for a tourism-based finance feasibility study are provided in the Appendix. Costs can exceed US\$25,000, and may vary substantially depending on the size of the area, existing data, management capacity, and other factors.

A feasibility study for entrance or activity fees should assess the key factors that may affect the viability and success of such a mechanism:

- 1) **Economic Feasibility:** Will the time and financial costs associated with the entrance and activity fee system greatly exceed the cost of establishment and management of that system? This is largely dependent on the attractiveness of the site and existing or potential infrastructure (roads, airports, trails, etc.)
- 2) **Socio-Political Feasibility:** Do socio-political considerations risk blocking or delaying implementation or cause excessive expenses? Are most stakeholders open to this

concept? Will the PA management authority be able to retain revenue to use for conservation? If legal mechanisms for collecting and retaining visitor fees currently do not exist, is there a political will to enact new laws or regulations or to try to change existing ones?

- 3) **Environmental Costs and Benefits:** Will successful implementation benefit or pose serious risks to the ecological integrity of the sites under consideration?
- 4) **Practical Implementation:** Are the other basic issues that could derail or cause excessive transaction costs for the system (i.e. lack of transparency, trust, and risky financial management)?

Box 1 provides a sample outline of a feasibility study for conservation finance solutions and a more detailed Excel™ worksheet is available for a detailed tourism fee feasibility assessment. The description of the finance solution should include a list and overview of specific infrastructure needed for implementation (e.g. entrance station or visitor centre), including scheduling, expected costs, and funding sources. The marketing strategy should consider socio-economics and demographics of current visitors relative to target markets, and financial projections should be based on historical and projected visitation rates. Market demand can be assessed through a willingness-to-pay (WTP) study or comparative study. WTP studies are sometimes implemented to better understand market demand for tourist sites and services (e.g. [Bruner et al. 2015](#)). However, WTP studies capture economic value and generally overestimate the actual cash a visitor is happy to pay for an entrance ticket to, or activity in, a PA or site of interest ([Blumenschein et al. 1997](#)). A more effective and lower cost approach is a comparative study that compares the PA or activity of interest with similar sites within the country or region and maps the price and quality of the experience. It should be noted that the entrance/activity fee does not exist in isolation but as part of the travel package that brought the visitor to the site, and their food, lodging and entertainment. Pricing must also consider the alternatives visitors have, and how values compare – for example, they could stay on a beach for free (a good value) or pay for a bus, guide, and entrance fee to a forest park. Often PAs near beach resorts offer a nice alternative experience to another day at the beach but risk pricing themselves out of the market.

Box 1: Feasibility Study Outline for Conservation Finance Solutions

A feasibility study should determine if a specific finance solution or mechanism is likely to achieve its stated objectives in a given country or situation. Ideally a feasibility study will produce two major outcomes: 1) a clear indication of likelihood of success and 2) identification of key design features that optimize chances of success and minimize risks (including social and environmental safeguards). The following feasibility study outline can be used for a wide range of finance solutions.

1. **Executive Summary** – The summary contains all the essential information that a high-level policy or other decision maker needs to know in a concise format that should not exceed a few pages. It should include the detailed description of the question being addressed and all major conclusions. If there are key graphics or a summary bulleted table, this will facilitate comprehension in a rapid review.
2. **Finance Solution Description** – This introductory section should include a very detailed description of the specific finance solution under review. Generalized solutions, such as “Payment for Ecosystem Services”, are not easily assessed in a feasibility study as there are too many aspects that will require definition. The specific nature of the finance solution must be detailed including a) area of focus – both geographical and sectorial, b) key actors and stakeholders, c) sources of financing, d) financial instruments involved, and e) specific expected outcomes. Also include a section on the background of this solution at the site, country, or region.
3. **Environmental, Social, and Political Considerations** – This includes risks and opportunities as well as legal and regulatory issues that should be considered or addressed in the design.
4. **Market Demand or Finance Sources** – For market-based finance tools, it is essential to understand market demand including the willingness (and ability) to pay for the associated goods and services including ecosystem services. Demand can be assessed through market studies, interviews, surveys, and comparative studies. If the tool is not market-based, this section should analyze likely finance sources and their interest in supporting the development and long-term financing of the instrument.
5. **Marketing or Communication Strategy** – A brief marketing analysis and main elements of a marketing strategy is essential for all market-based instruments. Alternatively, for non-market instruments, a communication strategy to reach and convince key donors, finance sources and other stakeholders is useful. Since this is a feasibility study, the marketing or communication strategy can be concise and highlight main issues.
6. **Organization and Staffing** – Identifies the human resource and institutional needs for success including existing and required technical and implementation capacity.
7. **Schedule** – elucidates what a realistic timetable would be for implementation including identification of key milestones.
8. **Financial Projections** – Detailed timeline of design, startup, and operational costs as well as financing needs and sources. Projections should be on a yearly basis and even if estimated, should cover the years required to reach a financially viable state for the solution in question.
9. **Findings and Recommendations** – Summary conclusions including key opportunities and challenges. The recommendations should be very specific and provide guidance on design features if the planned finance solution were to advance to the next stage.

Feasibility for tourism development should include a clear understanding of carrying capacity of a PA and its key tourist sites (Leung et al. 2018). It is critical for PA managers to identify the major environmental, social, and economic risks early on, in order to establish and implement mitigation strategies and safeguards. These strategies will inform the development of monitoring, evaluation, and adaptive management efforts (section 2.5), and the estimated costs of these strategies should be incorporated into the financial structure of the mechanism (section 2.3.2). Environmental and Social Impact Assessments are types of structured risk assessment that may be applied to proposed large-scale tourism development activities within PAs and their buffer zones.

2.3 Design

The design of entrance and activity fee systems will vary greatly depending on the findings of the feasibility assessment – including legal framework, infrastructure needs/availability, current and potential number of visitors, comparative advantages, and environmental costs. To avoid unforeseen problems and costly mistakes, it is essential that the design of the fee system be implemented with full engagement of key stakeholders and ideally as part of a larger business or management planning process for the site in question. If the fee design process is conducted separately, then the output should be a simplified business plan that complements the existing site business plan or management plan (see Box 2 for key components). The authority responsible for oversight and administration of the fee system should lead the design process and may need to involve a facilitator or consultant with business and financial planning expertise to guide participants.

2.3.1 Governance and management

Fee systems, particularly entrance fee systems, are often developed through central planning and implemented by the national PA authority, but that authority may assign fee management to a specific PA agency (see the US Recreational Fee Demo program; [Summers 2005](#)). In some countries, PA or site management agencies have the flexibility to develop their own fee systems on a case-by-case basis, which can be a way to facilitate local ownership of the system (this is how activity fee systems are usually established). Either way, a PA management agency will ideally have the autonomy to adjust fees according to visitor numbers and preferences, and to retain revenues for reinvestment, which can optimize management efficiency (see 2.3.5). In some systems, this has entailed a gradual process of legal reform. For instance, the United States Congress approved legislation in the 1950s that allowed for entrance fees to national parks. It was not until 1996 that the four land management agencies were given authority to levy and increase fees independent of Congress. This legislation – the Recreational Fee Demo program – gave each land management agency the autonomy required to meet the needs of their own PAs, and specified that 80 percent of revenue was to be used in the site where it was collected ([Summers 2005](#)). Collaboration between agencies setting fees autonomously within a country will usually be beneficial for overall conservation impact (see price competition in Tanzania; [Spenceley, Rylance and Laiser 2017](#)).

If a management agency is given the autonomy to collect and retain tourism fees and allocate revenues, then it must have strong enough institutional capacity and accountability for effective and efficient management of these revenues (efficient management is closely linked to the recovery of PA operating costs from tourism; [Eagles & Hillel 2008](#)). A capacity building program consisting of short courses and workshops, staff exchanges, mentoring, conferences, and twinning of PAs is likely to be necessary (Leung et al. 2018). A targeted marketing campaign can

be used to help attract a regular flow of visitors, or a specific group of visitors, and build acceptance of fees among specific groups of stakeholders, but most PAs will not have the expertise for this and will have to work with tourism agencies or contract for it ([Font, Cochrane & Tapper 2004](#)). When the institutional capacity of a PA agency is limiting efficient fee collection, it may be necessary to transfer management responsibility to, or partner with, a private entity (see section 3).

Partnerships with community organizations, or co-management, can help to build community support for fee systems, represent community views, and reduce conflict. Bunaken National Park, a model for marine co-management in Indonesia, is managed by an advisory board representing local communities, tourism operators, and various government agencies ([UNDP 2012](#)). In partnership with the Indonesian Department of Nature Conservation, the board has designed a practical and efficient entrance fee system that generates revenues for the MPA and its residents, funding a joint patrol system – which directly involves local individuals in monitoring and enforcement; conservation projects; and a small grants program for community development projects.

Fees can be collected on site (e.g. at an entrance gate, parking area) or off site (e.g. online, at management authority headquarters, or through tour operators as part of a tour package – in which case passes would be checked upon entry or spot-checked). Cash-free systems of entry, where the visitor has paid in advance, can reduce the risk of corruption and bribery. For example, the Kenya Wildlife Service (KWS) has introduced a system whereby visitors pay cash at KWS headquarters to charge an electronic debit card, which is then swiped on entry to a PA ([Font, Cochrane & Tapper 2004](#)). Overall takings increased on introduction of this system. Fee collection via operators can reduce administration costs, but it also reduces the opportunity for interaction with visitors and the flexibility to rapidly adjust fees – tour operators may need advance notice of up to 18 months ([Lindberg 2001](#)).

All PA systems should use accounting software for the collection of data on PA management needs and costs, revenue generation, and budgets and expenditures (operational and capital). PA site managers should be trained on costing activities and using accounting software. Revenues should be tracked using reliable and transparent recording systems. If a PA authority lacks financial management capacity, it can be advantageous to channel funds into an independent Conservation Trust Fund.

2.3.2 Pricing structure

The management authority should establish a pricing structure that: a) reflects visitor ability to pay, b) is in proportion to benefits received, and c) covers the costs of management and administration. While higher fees can maximize revenues for conservation (assuming all, or a fixed proportion, of revenues are reinvested) and are often used in ecologically unique or pristine areas where the user receives high benefits, they can also affect overall visitor numbers and visitor profile – for instance, by preventing local people from accessing PAs ([Lindberg 2001](#)). Lower fees, or preferably pricing systems differentiated by factors such as residency, may therefore be necessary to achieve social objectives such as local visitation (see 2.3.3). Fees can also be used to deliberately reduce visitor numbers when they have exceeded carrying capacity and start to threaten the ecological integrity of the site. This was part of the rationale for New Zealand's introduction of high fees for foreigners on certain world famous hiking trails inside national parks.

The degree to which price influences demand is measured by the [price elasticity of demand \(Lindberg 2001\)](#). In inelastic markets (e.g. areas where unique wildlife or landscapes are found, such as the Serengeti National Park, and marine parks in South East Asia; [Spenceley, Rylance & Laiser 2017](#); [Pascoe et al. 2014](#)) an increase in price may not have major impacts on visitation. In highly elastic markets where price has a powerful influence on visitor numbers (e.g. when close substitutes are available at lower cost; [Schneider & Budruk 1999](#)), an increase in price may significantly reduce the number of visitors. At the level of whole PAs, demand is more commonly inelastic ([Lindberg 2001](#)).

A good understanding of market demand is essential to understanding how fees might influence visitor numbers and profile ([Lindberg 2001](#)). Countries across LAC tend to establish similar fees for all PAs, without conducting market analysis, but those that do use market analysis tend to generate greater revenues ([Bovarnick et al. 2010](#)). Willingness-to-Pay (WTP) studies often find that tourists are willing to pay more than the established fee, indicating underexploited potential for tourism revenues to contribute to conservation (Leung et al. 2018). For instance, WTP to access Komodo National Park, Indonesia, was found to be over ten times the actual entrance fee ([Walpole et al. 2008](#)). However, the results of a WTP study do not necessarily provide a realistic benchmark for fee prices. WTP studies estimate economic value and are largely based on hypothetical scenarios, but in reality, tourists tend to pay much less. Practitioners should also be aware that setting fees at maximum WTP can have adverse economic impacts in some cases for the local economy by reducing visitation levels ([Thur 2010](#)). On the other hand, unique sites such as the Galapagos, Mount Kilimanjaro, and the Serengeti or unique experiences, including mountain gorilla visits, can allow managers to charge very high fees as few or no alternatives are available. There are two effective and lower cost approaches to setting user fees. The best is a comparative study, which compares the PA or activity of interest with similar sites within the country or region and maps the price and quality of the experience. The second approach, which can be used in combination, is to gradually increase the price (e.g. on a yearly basis for three years) to reach the desired level of visitors and revenues per month. Factors like relative affordability to both domestic and international visitors are [especially important to consider](#) in setting fees.

2.3.3 Social process and safeguards

The PA agency should meet with government officials, legal counsel, and other key stakeholder groups – including Indigenous Peoples, local communities, and the private sector – to agree on fee design features. By working collaboratively through participatory planning, effective partnerships can be established between multiple stakeholders, and community consensus, engagement, and capacity can be built. It is much easier to achieve this at the planning stage than it is when fees have already been established. Bunaken National Park Advisory Board is an example of a genuine and effective community partnership that has played a role in conflict resolution between stakeholders in the development of an entrance fee system, overseeing participatory zonation of the MPA and communicating community views to the relevant authorities ([UNDP 2012](#)).

For any partnership to be successful, managers must ensure that (Leung et al. 2018):

- All partners decide on, understand and agree to their roles and responsibilities and document them in writing
- All those involved equally shoulder the duties and commitment

- The partnership is mutually beneficial
- Mechanisms are in place to evaluate the success and benefits of the partnership
- Open and honest communication is a priority

If a site or PA has social objectives, these must be incorporated into the pricing structure. Multi-tiered pricing can be used to encourage local visitation and education (and ultimately encourage local support for the mechanism and an interest in conservation), or to boost local business opportunities through an increase in visitor numbers (Leung et al. 2018). For example, offering discounts and fee waivers to national residents, local communities, schools, children, university students, and researchers can encourage learning and help to build public support for conservation in the site itself and beyond – even if only for one day a month or outside of peak times (Lindberg 2001). Scaling fees by residency can be a particularly useful tool to capture the relatively high WTP from international visitors, without excluding residents (Eagles 2002). For example, to enter the Galapagos National Park, foreign visitors over 12 years old pay US\$100, foreign children pay US\$50, whereas Ecuadorian nationals over 12 pay US\$6 and Ecuadorian children pay \$3 (Epler 2007). Similarly, [Maasai Mara National Reserve in Kenya](#) charges non-residents upwards of \$80/day, and residents and/or citizens less than \$10/day.

Differential pricing systems can also be used to charge different rates depending on the services used, e.g. scuba diving, which people tend to be willing to pay relatively high fees for (Peters & Hawkins 2009), is priced differently to other water-based activities in Bonaire National Marine Park; (DCNA 2014). A combination of per-day fees and annual pass or loyalty card options also helps tailor fee systems to different types of visitors, which can be beneficial both in terms of revenue generation and visitor acceptance of fees (Lindberg 2001). However, the more complicated the pricing strategy the more complicated and time-consuming the payment reconciliation and reporting system will be (Leung et al. 2018).

Building community revenue-sharing agreements into fee system design can be an effective way to maximise socio-economic benefits for local communities and build support for conservation and tourism (Spenceley, Snyman & Rylance 2017). For example, in Rwanda's Volcanoes National Park, where endangered mountain gorillas are the primary tourist attraction and viewing fees are fixed at US\$1500 for all, a revenue-sharing scheme channels ten (previously five) percent of revenues from fees to community projects around the PA (Nielsen & Spenceley 2010). Between 2005 and 2010, around US\$428,000 was directly invested in community projects including school building, food security initiatives, tree planting, and water tank installations. However, structural constraints, such as limited participation of the most socially and economically disadvantaged residents in proximity to the PA, may be limiting the impact of the scheme (Sabuhoro et al. 2015; Munanura et al. 2016).

2.3.4 Ecological design

Key aspects of ecological design are site selection and design; infrastructure design; type(s) of activity; and visitor management tools (e.g. zoning, timing, seasonality, regulations etc.) Managers should follow internationally adopted guidelines on tourism and biodiversity when designing fee systems (Leung et al. 2018). If fee systems are not well designed and managed (e.g. if earmarked revenues incentivize managers to allow inappropriate levels of visitation), negative impacts can compromise the conservation values of a site or PA (Lindberg 2001). These impacts can occur at a specific site or affect the entire PA (and beyond). The extent of impact will be influenced not only by the number of visitors and type of activity, but also by the

habitat type and its sensitivity to disturbance. Through identification of major risks at the feasibility stage, strategies and safeguards can be designed to avoid or mitigate negative impacts, and should inform the development of monitoring, evaluation, and adaptive management efforts (section 2.5).

Managers should apply standards-based management frameworks driven by PA values, management objectives, and their associated indicators and standards, to determine how much impact is acceptable and balance tourism with conservation. Options include: (a) the Recreation Opportunity Spectrum (ROS), (b) carrying capacity, (c) Limits of Acceptable Change (LAC), and (d) indicators and quality standards (Leung et al. 2018). There are lessons to be learnt from sites like Machu Picchu in Peru, which charge entrance fees but have failed to establish and enforce an appropriate visitor capacity ([Larson & Poudyal 2012](#)). Management strategies to minimize tourism-induced change all revolve around the concept of supply and demand (Leung et al. 2018). Supply and demand can be manipulated either by a) increasing the supply of tourism opportunities to accommodate more use and/or spread it more evenly (e.g. increase opening hours or expand a PA); or b) by modifying use so that impacts are reduced (e.g. restrict location of an activity or seasonality). Supply and demand can also be treated as fixed, in which case managers would focus on reducing the impacts of use by enhancing the physical durability of sensitive features, or simply putting hard limits on the problematic use (e.g. group size limits, length-of-stay limitations, and bans on specific activities and behaviours).

Other tools commonly used for managing tourism impacts are zoning (a component of most tourism management processes) and rationing (e.g. lotteries and auctions for permits). An alternative approach to directly limiting visitor use is to focus on modifying visitor behaviour. For instance, educational materials and thoughtful signage can be used to encourage good environmental behaviour among visitors, and overcrowding can be discouraged by intentionally restricting or providing no facilities, which can ultimately enhance the visitor experience ([Pedersen 2002](#)). In elastic markets (see 2.3.2), introducing or raising fees – or charging differential fees according to season, trail, or zone – can be a tool for visitor management. However, in areas of high ecological risk, direct management regulations such as setting a hard limit on visitor numbers or improving trail systems are usually more appropriate. Practice standards direct using a combination of visitor use management tools that reinforce and complement each other (Leung et al. 2018).

If sites are new, or require infrastructure to be built, their design should be in keeping with the local cultural and physical landscape and climatic conditions, and infrastructure should be durable, recyclable, sustainable, and constructed using sources that minimize ecological damage (a good example is Egypt's Wadi El Hitan World Heritage Site Park; Leung et al. 2018). Sustainable transport initiatives, such as bicycles, should be implemented wherever possible (see [USNPS 2017](#)).

2.3.5 Use and reporting of revenues

Reporting on fee revenues is critical to long-term success and transparent revenue collection and distribution. Many PAs publish visitor numbers online – especially when there is a revenue-sharing system with the local community. Not only does this reporting build trust and support among tourists, local communities, and other stakeholders, but it can also potentially influence public policy on PA tourism and conservation finance. Consistent and detailed reporting on PA revenues can demonstrate the importance of PAs to national economies, thereby justifying their

national and international support, and more broadly strengthening the argument for conservation ([Eagles 2002](#); [Rylance, Snyman & Spenceley 2017](#)).

Transparent communication of how revenues are used is critical for gaining public acceptance of a fee system (see [US National Park Service](#) for a good example). It is particularly important that visitors trust the fee collection institution and understand how revenues contribute to conservation ([Font, Cochrane & Tapper 2004](#)). Information can be advertised on websites, social media, signage, and interpretive materials on site ([Spergel & Moye 2004](#)). This trust and awareness has been shown to positively influence WTP, particularly among divers in marine parks ([Baral, Stern & Bhattarai 2008](#); [Peters & Hawkins 2009](#); [Uyarra, Gill & Côté 2010](#)).

Retention of revenues by PA management authorities, rather than channelling them through a central treasury, can be critical for the sustainability of revenue streams and maximizing recovery of PA costs from tourism, because it protects revenues from being used for other government activities, or delayed by government accounting and budgeting processes, and it provides managers with an incentive to collect fees in an efficient manner ([Lindberg 2001](#); [Summers 2005](#); [Rylance, Snyman & Spenceley 2017](#); Leung et al. 2018). When legislation prevents government PA agencies from retaining and reinvesting revenues (as in most LAC countries; [Bovarnick et al. 2010](#)), they are instead sent to a central treasury and earmarked for redistribution to the budget for PA systems, but since budget allocations tend not to reflect financial returns from tourism, PA managers may lack motivation to collect fees in an efficient manner ([Eagles 2002](#)). Evidence for this can be seen in Sulawesi's Bunaken National Park where, although required by law to charge entrance fees, managers did not charge entrance fees for the first decade of its existence – largely due to legislation that required all revenues to be channelled to the central treasury ([Emerton, Bishop & Thomas 2006](#); [UNDP 2012](#)). Entrance fees were not fully implemented until legislation was passed at the provincial level, following decentralization, to reserve 80 percent of entrance fee revenue for the MPA itself. The remaining 20 percent is distributed across local government authorities. In countries with insurmountable legal restrictions on the generation and retention of revenues by government entities, it may be necessary to create a parastatal agency, or contract with a private partner, for more flexibility in fee management (see 2.3.1).

Use of fees to enhance the quality of the site where they were collected is also a factor in the acceptance of fees by visitors and tourism operators ([Lindberg 2001](#); [Spergel & Moye 2004](#)). It has been argued, for this reason, that revenues should be at least partially retained by the individual PA or site where fees are collected ([Eagles 2002](#); [Lindberg 2001](#)) – as they are in Bonaire National Marine Park and Bunaken National Park ([DCNA 2014](#); [UNDP 2012](#)). However, within PA networks there are often PAs that do not generate significant revenues from tourism and thus require support from other more popular PAs – see Ezemvelo KZN Wildlife (EKZNW), KwaZulu-Natal's wildlife agency ([Motau & Wale 2016](#)). In these circumstances, the majority of revenues may need to be retained at the PA system level for overall conservation benefit.

Box 2: Components of a Business Plan for an Entrance or Activity Fee System

A business plan for a fee system should be consistent with any existing PA management and business plans, and include the following elements:

- Objective of the fee system
- Background
 - Review of the existing tourism assets and historical visitation rates
 - Opportunities for enhanced tourism assets and sites
 - Tourism demand – including comparative pricing study or WTP study
 - Legal and regulatory framework
- Infrastructure needs
- Desired ecological and social outcomes
- Management needs – including ticket sales, fee collection, accounting, marketing, communication, stakeholder engagement, monitoring and evaluation
- Financial costs and benefits
- Use of revenues
- Implementation timeline

2.4 Implementation

Key steps to implementation are as follows, depending on the design of the fee mechanism:

- 1) Raise funding for the business plan
- 2) Assure legal framework for collecting and retaining protected area fees
- 3) Build capacity (for managers/local communities/partnerships)
- 4) Build infrastructure – e.g. construct or install any new facilities required, such as turnstiles and ticket sales booths
- 5) Establish management systems, including:
 - Fee collection system – redistribute existing or hire new personnel and purchase any necessary equipment and supplies. There is an [online tool for user fee collection](#) that can provide valuable insights
 - Establish an accounting system to track and analyse revenues
 - Hire an independent firm to audit the site's accounts periodically
 - Begin or expand marketing campaign
- 6) Conduct a three- to six-month pilot to test the market:

This could involve collection at just one or two sites, and simple fee scales (e.g., only two rates). For entrance fees, begin controlling access points to site and collecting fees and data on visitation. For activity fees, begin collecting fees for and data on participation in the activity or use of the facility
- 7) Evaluate reactions to the fee mechanisms (e.g. WTP study or other visitor survey)
- 8) Evaluate effectiveness and performance of fee collection mechanism
- 9) Implement a full-scale fee system (assuming success of the pilot)

10) Establish an adaptive management system (section 2.5)

11) Begin allocation of revenues to conservation activities

2.5 Monitoring, Evaluation, and Adaptive Management

Any entrance or activity fee system should be incorporated into a broader monitoring program that follows internationally adopted guidelines ([Eagles, McCool & Haynes 2002](#); Leung et al. 2018). Monitoring and evaluation (M&E) is critical to understanding the impact of fees; aside from revenue generation, the introduction of fees can have a range of positive and negative environmental, social, and economic impacts (Leung et al. 2018). M&E helps to track progress of the fee system and allows the management authority to respond to issues and changes in visitor preferences through adaptive management. For instance, fees may need to be increased or decreased in response to visitor experience or visitor numbers, or measures may need to be taken to reduce congestion. This adaptive approach can also instill confidence in stakeholders that there is flexibility to respond to concerns, making them less likely to oppose fees ([Lindberg 2001](#)).

Key areas of monitoring should include (Leung et al. 2018):

- Visitor use: for example, visitor counts, visitor hours, visitor days, visitor spending (these are basic data and should be collected for all PAs with tourism)
- Visitor impact: indicators of ecological condition at relevant sites, and social impacts on local communities
- Visitor experience: for example, through feedback cards, social media, and systematic visitor surveys

For example, since 1996, the US National Park Service, Forest Service, Bureau of Land Management, and Fish and Wildlife Service have used the Recreational Fee Demonstration Program to experiment with entrance and activity fees. Through surveys of visitor experience, the agencies gradually improved decision-making and public trust and acceptance of the program ([Summers 2005](#)).

Best practice is to engage an independent third-party expert to carry out periodic reviews of the fee system (the norm is every two years) to verify that the fee rates, collection procedures, and use and reporting of funds meets the original objectives. The extent and nature of market research and stakeholder consultation in this review process will depend on the available resources and any political constraints, but thorough consultation reduces the opportunity for conflict and opposition ([Lindberg 2001](#)).

3. How to Improve the Impact of Existing Systems

Transfer of management responsibility to a parastatal agency, partnering with a private company or NGO, or creating a collaborative advisory board will often help a public PA to capture revenues with more efficiency, particularly in developing countries ([Eagles & Hillel 2008](#); [Spenceley, Snyman & Eagles 2017](#)). In countries with legal restrictions on the generation and retention of revenues by government entities, these management models may also offer more flexibility for entrance and activity fee revenues to be retained by the site rather than channelled into the central treasury ([Font, Cochrane & Tapper 2004](#)). For example, since Parks Canada became a parastatal entity in the 1990s, its efficiency in capturing revenues from entrance fees and reinvesting them in PAs has increased substantially ([Eagles & Hillel 2008](#)). In

particular, leveraging the expertise of tourism companies or NGOs through a concession or partnership can help to ensure that the experiences for which fees are charged are of a high quality that visitors are willing to pay for, and that they are properly marketed ([Eagles 2002](#)). Successful examples include the commercialisation of South African National Parks (SANParks) and partnerships developed between the foundation African Parks and governments of various African countries, including Zambia, Ethiopia, and Malawi ([Saporiti 2006](#)). Tourism businesses are also usually better placed to offer emotionally engaging interpretation of ecotourism experiences, which can increase awareness of and support for local conservation issues and management solutions ([Powell & Ham 2008](#); [Zeppel & Muloin 2008](#)).

References

- [Balmford, A. et al. 2009](#). A Global Perspective on Trends in Nature-Based Tourism. *PLoS Biol* 7(6): e1000144.
- [Balmford, A. et al. 2015](#). Walk on the Wild Side: Estimating the Global Magnitude of Visits to Protected Areas. *PLoS Biol* 13(2): e1002074.
- [Baral, N., Stern, M.J., Battarai, R. 2008](#). Contingent valuation of ecotourism in Annapurna conservation area, Nepal: Implications for sustainable park finance and local development. *Ecological Economics* 66: 218-227.
- [Barrow, G.C. 2015](#). The Socio-Economic Benefits of New National Park Designations in Scotland. Scottish Campaign for National Parks and the Association for the Protection of Rural Scotland.
- [Blumenschein, K. et al. 1997](#). Hypothetical versus real payments in Vickrey auctions. *Economics Letters* 56: 177-180.
- [Bovarnick, A., Fernandez-Baca, J., Galindo, J. & Negret, H. 2010](#). Financial Sustainability of Protected Areas in Latin America and the Caribbean: Investment Policy Guidance. United Nations Development Programme (UNDP) and The Nature Conservancy (TNC).
- [Bruner, A. et al. 2015](#). Tourists' Willingness to Pay to Visit Tanzania's National Parks: A Contingent Valuation Study. Conservation Strategy Fund.
- [DCNA. 2014](#). Management Success Data Report 2014. Island: Bonaire. Dutch Caribbean Nature Alliance.
- [Depondt, F. & Green, E. 2006](#). Diving user fees and the financial sustainability of marine protected areas: Opportunities and impediments. *Ocean and Coastal Management* 49: 188-202.
- [Drumm, A., Moore, A., Soles, A., Patterson, C., Terborgh, J.E. 2004](#). Ecotourism Development: A Manual for Conservation Planners & Managers - Vol. II. The Nature Conservancy, Arlington, VA.
- [Eagles, P.F.J. 2002](#). Trends in Park Tourism: Economics, Finance and Management. *Journal of Sustainable Tourism* 2: 132-153.
- [Eagles, P.F.J, McCool, S.F. Haynes, C.D. 2002](#). Sustainable Tourism in Protected Areas: Guidelines for Planning and Management. Best Practice Protected Area Guidelines Series No. 8. World Commission on Protected Areas (WCPA). United Nations Environment Programme, World Tourism Organization and IUCN – The World Conservation Union.
- [Eagles, P.F.J. & Hillel, H. 2008](#). Improving protected area finance through tourism. Paper presented to the Second meeting of the Ad Hoc Open-ended Working Group on Protected Areas (WGPA-2) – Rome, Italy, February 11 – 15 2008.
- [Epler Wood, M. 2002](#). Ecotourism: Principles, Policies and Practices for Sustainability. UNEP.

- [Emerton, L., Bishop, J. & Thomas, L. 2006.](#) Sustainable Financing of Protected Areas: A global review of challenges and options. The World Conservation Union (IUCN), Gland, Switzerland.
- [Epler, B. 2007.](#) Tourism, the Economy, Population Growth, and Conservation in Galapagos. Charles Darwin Foundation.
- [Flores, M., and Bovarnick, A. 2016.](#) Guide to improving the budget and funding of national protected area systems. Lessons from Chile, Guatemala and Peru, July 2012 – April 2014. UNDP.
- [Font, X., Cochrane, J. & Tapper, R. 2004.](#) Pay per nature view: Understanding tourism revenues for effective management plans. Leeds Metropolitan University, Leeds (UK).
- [Green, E. & Donnolly, G. 2003.](#) Recreational scuba diving in Caribbean marine protected areas: do the users pay? *Ambio* 32: 140-144.
- [Larson, L. R & Poudyal, N.C. 2012.](#) Developing sustainable tourism through adaptive resource management: a case study of Machu Picchu, Peru. *Journal of Sustainable Tourism* 20: 917-938.
- [Leung, Y., Spenceley, A., Hvenegaard, G., and Buckley, R. \(eds.\) \(2018\).](#) Tourism and Visitor Management in Protected Areas: Guidelines for sustainability. Best Practice Protected Area Guidelines Series No. 27, Gland, Switzerland: IUCN. xii + 128 pp.
- [Lindberg, K. 2001.](#) Protected Area Visitor Fees Overview.
- [Maller, C., Townsend, M., St Leger, L., Hendersen-Wilson, C., Pryor, A., Prosser, L. and Moore, M. 2009.](#) 'Healthy Parks, Healthy People: The Health Benefits of Contact with Nature in a Park Context'. *The George Wright Forum* 26(2):51-83.
- [Motau, K. & Wale, E. 2018.](#) The operational competitiveness of public protected areas managed by Ezemvelo KZN Wildlife. *Koedoe* 60(1), a1452.
- [Munanora, I.E. et al. 2016.](#) Perceptions of tourism revenue sharing impacts on Volcanoes National Park, Rwanda: a Sustainable Livelihoods framework. *Journal of Sustainable Tourism*.
- [Naidoo et al. 2015.](#) Complementary benefits of tourism and hunting to communal conservancies in Namibia. *Conservation Biology* 30: 628-638.
- [Nielsen, H. & Spenceley, A. 2010.](#) The Success of Tourism in Rwanda – Gorillas and More. Background paper for the African Success Stories Study. World Bank and SNV.
- [Pascoe, S. et al. 2014.](#) Estimating the potential impact of entry fees for marine parks on dive tourism in South East Asia. *Marine Policy* 47: 147-152.
- [Pedersen, A. 2002.](#) Managing Tourism at World Heritage Sites: a Practical Manual for World Heritage Site Managers. UNESCO World Heritage Center.
- [Peters, H. & Hawkins, J.P. 2009.](#) Access to marine parks: A comparative study in willingness to pay. *Ocean and Coastal Management* 52: 219-228.
- [Powell, R.B. & Ham, S.H. 2008.](#) Can ecotourism interpretation really lead to pro-conservation knowledge, attitudes and behaviour? Evidence from the Galapagos Islands. *Journal of Sustainable Tourism* 16: 467-489.
- [Roberts, C. & Hawkins. 2000.](#) Fully Protected Marine Reserves. WWF.
- [Rylance, A., Snyman, S., Spenceley, A. 2017.](#) The contribution of tourism revenue to financing protected area management in Southern Africa. *Tourism Review International* 21: 139-149.
- [Sabuhoro, E. et al. 2017.](#) The potential of ecotourism opportunities to generate support for mountain gorilla conservation among local communities neighboring Volcanoes National Park in Rwanda. *Journal of Ecotourism*.

- [Saporiti, N. 2006.](#) Managing National Parks: How Public-Private Partnerships Can Aid Conservation. The World Bank Group.
- [Spenceley, A., Nevill, H.L.T., Faustino Coelho, C.M.N., Gomes Souto, M. 2016.](#) An introduction to tourism concessioning: 14 characteristics of successful programs (English). Washington, D.C.: World Bank Group.
- [Spenceley, A., Rylance, A., Laiser, S.L. 2017.](#) Protected area entrance fees in Tanzania: The search for competitiveness and value for money. *Koedoe* 59(1), a1442.
- [Spenceley, S., Snyman, S. & Eagles, P.F. 2017.](#) Guidelines for tourism partnerships and concessions for protected areas: Generating sustainable revenues for conservation and development. Report to the Secretariat of the Convention on Biological Diversity and IUCN
- [Spergel, B. & Moye, M. 2004.](#) Financing marine conservation: a menu of options. WWF.
- [Schneider, I.E. & Budruk, M. 1999.](#) Displacement as a Response to the Federal Recreation Fee Program. *Journal of Park & Recreation Administration*. 17: 76-84.
- [Summers, A.B. 2005.](#) Funding the National Park System: Improving Services and Accountability with User Fees. Reason Foundation.
- [Thomas, L. & Middleton, J. 2003.](#) Guidelines for Management Planning of Protected Areas. Best Practice Protected Area Guidelines Series No. 10. World Commission on Protected Areas (WCPA). IUCN – The World Conservation Union.
- [Thur 2010.](#) User fees as sustainable financing mechanisms for marine protected areas: An application to the Bonaire National Marine Park. *Marine Policy* 34(1). 63-69.
- [UNDP 2012.](#) Bunaken National Park Management Advisory Board, Indonesia. Equator Initiative Case Studies: Local sustainable development solutions for people, nature, and resilient communities.
- [USNPS. 2017.](#) National Park Service Transportation Program.
- [Uyara, M.C. Gill, J.M., Côté, I.M. 2010.](#) Charging for nature: Marine park fees and management from a user perspective. *Ambio* 39: 515-523.
- [Walpole, M.J., Goodwin, H. J., Ward, K. G. R. 2008.](#) Pricing Policy for Tourism in Protected Areas: Lessons from Komodo National Park, Indonesia. *Conservation Biology* 15: 218-227.
- [WTTC. 2017.](#) Travel and Tourism Economic Impact 2017 World. World Travel and Tourism Council.
- [Zepel, H. Muloin, S. 2008.](#) Conservation Benefits of Interpretation on Marine Wildlife Tours. *Human Dimensions of Wildlife: An International Journal* 13: 280-294.

Appendix: Generic Terms of Reference (ToR) for a Feasibility Assessment

Overview of ToR

“Fictitious” National Park (FNP) is 100,000 ha. in size and located in [FILL IN PROVINCE] of [FILL IN COUNTRY]. It has extensive attributes which make it attractive as an ecotourism destination, including [FILL IN ATTRIBUTES]. In order to effectively protect and manage the biodiversity and other natural resources of the park, a long-term, sustainable financing system is required. Initial planning discussions have identified tourism-based mechanisms as an important potential element in such a system. Already, modest revenues are being generated through park entrance fees. Opportunities seem to exist for raising entrance fees and putting in place a variety of other user fees. To examine these opportunities in-depth [NAME OF CONTRACTING ENTITY] is commissioning a feasibility study of a range of tourism-based options for financing conservation of FNP.

The study will collect extensive information and evaluate key issues and conditions influencing the feasibility of tourism-based finance mechanisms in FNP. Through on-site interviews, collection of existing data and other activities, the consultant will conduct an overall analysis of the current status of ecotourism in the area. Through extensive interviews with tourism operators and other local businesses, park staff, tourists, local community leaders and other stakeholders, the consultant will collect and analyze relevant information and recommend specific options for viable tourism-based mechanisms. In addition, the consultant will interview relevant governmental officials to assess opportunities for the generation of proprietary income that is channelled directly into conservation activities at FNP.

Terms of Reference

Objectives:

To assess the feasibility of an entrance or activity fee system designed to generate long-term funding to conservation of FNP. More specifically, the objectives are to:

- Assess the current status of ecotourism and identify actions required to improve the ecotourism experience and visitor flows in support of a tourism-based finance programme;
- Assess specific issues regarding the feasibility of entrance fee and concession fee programmes, and recommend next steps; and
- Assess opportunities for implementing other types of tourism-based mechanisms.

Tasks:

1. General assessment of ecotourism conditions and issues
 - Describe the major ecotourism attractions (assets) and related recreational activities;
 - Document current visitation volume and recent visitor flow trends; provide detailed visitor demographic data as available (e.g., % and total number of high-end tourists, backpackers, other categories; % and total number of foreign and domestic tourists; age group breakdowns; % and total numbers of visitors participating in key recreational activities such as diving / snorkeling, hiking, birdwatching, etc.)
 - Document acceptable limits of change from visitor impacts, and assess major environmental impact issues (e.g., identify major threats posed by ecotourism, and options for mitigating such threats);
 - Summarize tourism infrastructure issues, including reliability of and access by various modes of transport, communications, accommodations, etc.
 - Describe the quality and breadth of existing visitor services, and recommend measures for upgrading such services;
 - Identify major obstacles to expanding visitation and recommend measures for addressing such obstacles as appropriate (e.g., more trained guides, expansion of accommodations);
 - Describe any existing tourism-based finance mechanisms and summarize the success of such mechanisms.
2. Assessment of general conditions for a tourism-based finance programme Describe and analyze key conditions required to put in place an effective tourism-based finance programme, including:

- Political conditions: Support for tourism-based finance programme of key national government ministries and local government agencies, local communities, domestic tourists, and other important stakeholder groups; support for proprietary income; support for needed infrastructure improvements.
 - Economic conditions: Potential to generate significant revenues; strong willingness of foreign and domestic tourists to pay fees; existence or likelihood of funding for start-up of tourism-based finance programme and needed infrastructure improvements; accounting systems to track and monitor fee collection.
 - Legal: Legal regime exists or could be put in place to support tourism-based finance programme (including specific fees such as entrance and concession fees) and to support proprietary allocation of income.
 - Other: Organizational capacity of government to execute tourism-based finance programme, business expertise to operate concessions, ecotourism marketing expertise, overall potential for sustainable tourism to be developed, trained staff.
3. Assess in-depth feasibility of an entrance fee programme
- If an existing entrance fee is charged, summarize how the programme is structured and document the revenue generation trends; assess the success of the programme.
 - Assess visitor demographic issues correlated with revenue projections and analyze visitor marketing strategies (e.g., raising visitor flow versus attracting higher portions of high-end tourists).
 - Assess the optimal number and location of entrance fee collection points, staffing resources and equipment required, and other practical issues to consider in establishing an entrance fee programme.
 - Evaluate the applicability and revenue potential over a 10-year period of various pricing schemes for determining entrance charges (e.g., peak load pricing, comparable pricing, marginal cost pricing, multi-tiered pricing and differential pricing). Document key assumptions.
 - Recommend an entrance fee pricing scheme and rates, and project 10-year revenue flows. Draw on willingness to pay survey results and vary key parameters (e.g., visitation flows, prices, on-site income retention rates, etc. Document key assumptions.
4. Assess in-depth feasibility of a concession fee programme
- If a concession fee programme exists, summarize how the programme is structured and document the revenue generation trends; assess the success of the programme.
 - Assess current business services being provided to visitors (e.g., food, accommodations, equipment rental equipment, etc.); determine which services would be most appropriate for inclusion in a concession fee programme.
 - Evaluate applicability and revenue potential over a 10-year period of various concession fee structures and prices (e.g. auction/bidding for licenses, flat fee, percent of gross receipts, percent of net income).
 - Recommend a concession fee pricing scheme and rate(s), and project 10-year revenue flows. Draw on comparable systems in operation at other protected areas and vary key parameters.
5. Assess feasibility of other tourism-based finance mechanisms
- Conduct a coarse assessment of the feasibility of other tourism-based finance mechanisms and recommend which, if any, deserve further in-depth assessment

6. Financial projections and related issues
 - Conduct a “willingness-to-pay” survey of visitors to help calculate optimal fee pricing.
 - Based on the above, develop 10-year revenue projections drawing from all fee mechanisms determined to be viable or particularly promising.
7. Next steps Recommend specific next steps for establishing an entrance fee programme.
 - Recommend specific next steps for establishing a concession fee programme.
 - Recommend other specific next steps for implementing a tourism-based finance programme, including sequencing of steps.

Deliverables:

1. Feasibility report. A preliminary report capturing all of the task points outlined above will be submitted to a “Review Team” for comments and discussion prior to the finalization of the report for submission to the contractor. A final report will be submitted in written and electronic form.
2. Contact list. List of key contacts (name, title, address, email, phone number) will be attached to final report.
3. Briefings. Concluding briefings will be provided in [LIST CITIES] to summarize preliminary results for contractor and other interested stakeholders.

Staffing and timetable: The project will be implemented during the period [FILL IN]. A preliminary report will be due on [FILL IN DATE] and a final report will be due on [FILL IN DATE]. The level of effort will require a total of [FILL IN #] consultant days. [IF A TEAM OF CONSULTANTS:] The consulting team will consist of: [FILL IN NAMES, BREAKDOWN OF DAYS AND ROLES]