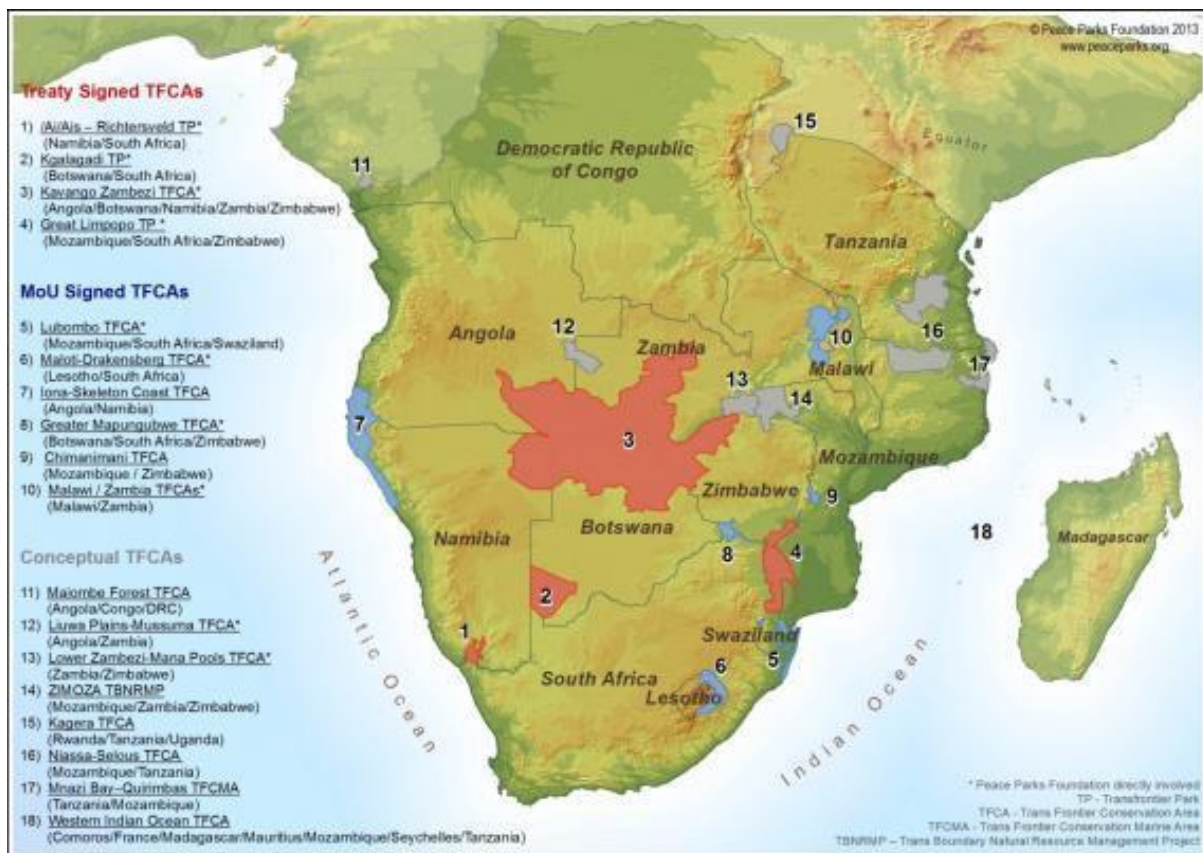


TOURISM CONCESSION GUIDELINES FOR TRANSFRONTIER CONSERVATION AREAS IN SADC



Source: Peace Parks Foundation, 2014

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Acronyms

AZC	Ahi Zameni Chemucane	NGO	Non-governmental organisations
BOT	Build Operate and Transfer	PAA	Protected Area Authority
CITW	Children in the Wilderness	PPF	Peace Parks Foundation
CTC	Companhia de Turismo de Chemucane	PPP	Public Private Partnership
CPPP	Community Public Private Partnership	RfP	Request for proposals
EIA	Environmental Impact Assessment	ROT	Rehabilitate-Operate-Transfer
EoI	Expression of Interest	SADC	Southern African Development Community
GLTFCA	Great Limpopo TFCA	SANParks	South African National Parks
MET	Ministry of Environment and Tourism, Namibia	TFCA	Transfrontier Conservation Area
MITUR	Ministry of Tourism, Mozambique	TFPD	Transfrontier Park Destinations

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1 INTRODUCTION

1.1 AIM AND OBJECTIVES OF THE GUIDELINES

There are a number of reasons that it can be useful for authorities within transfrontier conservation areas (TFCAs) to grant tourism concessions to the private sector. These include that the private sector¹:

- has commercial tourism operations as its core business, and can be more effective and efficient in generating revenue from tourism;
- understands how to match product design with market demand, and how to promote products, and can adapt more easily to changing markets needs and conditions;
- can more easily raise capital and other funds, and can be transferred the risk and responsibility for commercial tourism; and
- is (often) not constrained by as much bureaucracy as within government.

The **aim** of these guidelines is to provide guidance for tourism concessioning in TFCAs within the Southern African Development Community (SADC), whilst ensuring that both the conservation and development objectives of regional TFCAs are met, including rural development and community participation.

The **objectives** are to:

- Provide practical evidence-based guidance on a step-by-step the concessioning process that supports decision making;
- Ensure that guidance aligns the goals and objectives of conservation agencies and the private sector, and with the principles of sustainable tourism;
- Provide case study examples of good practice from within SADC, challenges, and tips to address them; and
- Provide simple, clear, reliable, applicable, flexible and concise information, with links to more detailed information and templates.

Box 1: Key definitions for these guidelines

Tourism concession: A concession is the right to use land or other property for a specified purpose, granted by a government, company, or other controlling body. It can include a commercial operation or a piece of land into which land is divided, and itself further divided into smaller lots². A tourism concession could provide accommodation, food and beverage, recreation, education, retail, and interpretive services³. Concessions are also termed Public Private Partnerships (see below).

Public Private Partnership (PPP): A commercial transaction between an institution and a private party, where the private party acquires property for its own commercial use and assumes related substantial financial, technical and operational risks. The private party receives a benefit from performing using the state property by charging fees to customers that they provide a service to.⁴

Sustainable tourism: Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities.⁵

Transfrontier Conservation Area: A collaboratively managed ecological connected terrestrial, freshwater and/or marine area that sustains ecological process and/or cultural values and crosses one or more international boundaries

¹ Adapted from Eagles, P. F. J., Baycetch, C. M., Chen, X., Dong, L., Halpenny, E., Kwan, P. B., Lenuzzi, J. J., Wang, X., Xiao, Hl, and Zhang, Y. (2009) Guidelines for planning and management of concessions, licenses and permits for tourism in protected areas, Tourism planning and management program, University of Waterloo, Ontario, Canada, 23 April 2009: pp12, Buckley, R. (2010). Conservation Tourism. CAB International. page xvi;

² Pocket Oxford English Dictionary, 2006

³ Eagles et al, (2009) op. cit.

⁴ Adapted from National Treasury (2005) PPP Toolkit for tourism, PPP Practice Note 1 of 2005, pp 3, accessible from <http://www.ppp.gov.za/Pages/Governance.aspx?RootFolder=%2fLegal%20Aspects%2fPPP%20Toolkit%20for%20Tourism&FolderCTID=&View=%7b33f91a9e%2d68fb%2d40cc%2db511%2d45d91a7cc95b%7d>

⁵ UNEP and UNWTO (2005) Making Tourism More Sustainable, A Guide for Policy Makers, Madrid, Spain

and which includes protected areas as well as multiple resource use areas from which tangible benefits are realized for affected communities.⁶

1.2 SCOPE, STRUCTURE AND CONTENT

The **main benefit** of reading this guideline is to obtain basic information on how to encourage, develop and operate tourism concessions in TFCAs within SADC.

The **geographical scope** of the guidelines relates to Southern African Development Community (SADC) countries. The type of TFCAs covered is predominately terrestrial, but includes information relevant to marine TFCAs too.

The **types of tourism concessions** addressed include:

- Tourism products that are located within one country, and within the boundaries of a TFCA (e.g. accommodation; retail or restaurant facilities, activities such as hiking safaris etc.); and
- Transboundary tourism activities, spanning more than one country within a TFCA (e.g. transboundary races and routes).

The guidelines are structured around a **step-by-step process** relating to the development and operation of tourism concessions, including scoping, design and feasibility, procurement strategy, transaction management and contract management. These steps are described in Section 2.

These guidelines are not legally binding and enforceable documents, rather they provide an indication on how concessioning can be implemented in a sustainable way for all parties involved, be they private sector, governments and/or communities. Furthermore, this document is not a technical manual, nor is it an exhaustive toolkit on how to do concessioning. Reading it will not make you an expert in tourism concessions, but it will provide basic guidance, and links to additional resources and further information. Additional resources are provided in Section 3.

1.3 TARGET AUDIENCE

The **main audience** for these guidelines includes TFCA coordinators; protected area authorities and ministries of environment and tourism who seek to expand the level of tourism investment, and visitation, within TFCAs. The audience also includes private sector investors interested in establishing transboundary concessions, and practitioners providing technical and facilitation support to the process and to communities (e.g. NGOs, donor agencies, consultants). Many of these stakeholders from SADC participated in the consultative process that led to the development of the guidelines (see section 3.4 and 3.5).

1.4 BACKGROUND TO THE GUIDELINES

Individual countries have legal frameworks that relate to concessions (see section 2.2.1 and section 3.3), and at a regional level, the two main SADC policies that underlie these guidelines include protocols on tourism and wildlife conservation, which are described here.

The **SADC Protocol on the Development of Tourism (1998)** describes SADC's objective to build upon the region's potential as a tourist destination. The protocol states that SADC aims to establish a more even distribution of tourism development across the region, and also to create a positive enabling environment for a tourism industry that can support socioeconomic development. Member States agree to encourage private sector involvement in the tourism sector, through mechanisms including through incentives, infrastructure, and appropriate regulatory frameworks.⁷

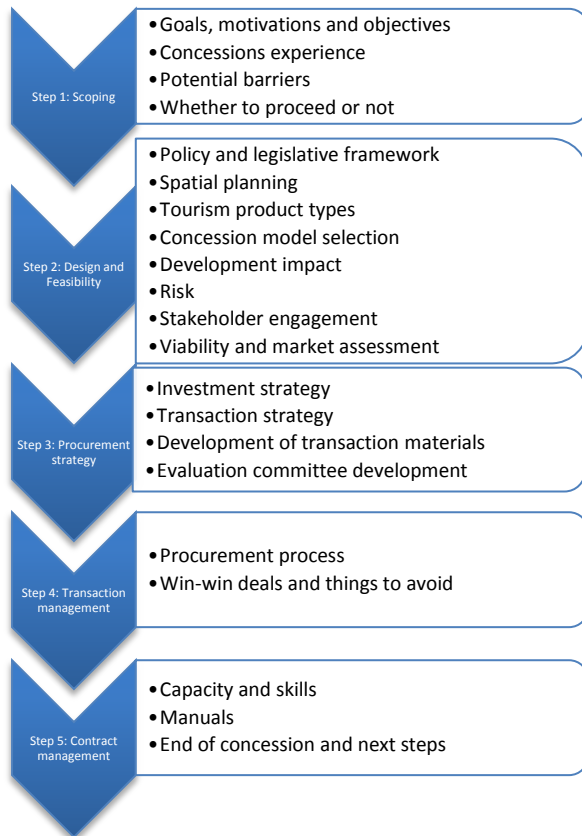
⁶ Zunkel, K. (In prep) Southern African Development Community Transfrontier Conservation Guidelines: The establishment and development of TFCA initiatives between SADC Member States

⁷ Southern African Development Community (SADC) (1998). Protocol on tourism, accessed from http://www.sadc.int/files/2413/5292/8368/Protocol_on_the_Development_of_Tourism1998.pdf on 5 December 2013

One of the objectives of the **SADC Protocol on Wildlife Conservation and Law Enforcement (1999)** is to promote the conservation of shared wildlife resources through establishing TFCAs. The protocol encourages Member States to develop economic and social incentives for conservation and sustainable use of wildlife.⁸

2 CONCESSIONING PROCESS

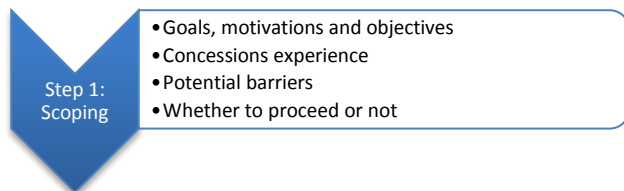
The concessioning process followed in this guideline is outlined below.



⁸ SADC (1999) Protocol on Wildlife Conservation and Law Enforcement, accessed from [http://www.sadc.int/documents-publications/show/Protocol%20on%20Wildlife%20Conservation%20and%20Law%20Enforcement%20\(1999\)](http://www.sadc.int/documents-publications/show/Protocol%20on%20Wildlife%20Conservation%20and%20Law%20Enforcement%20(1999)) on 30 July 2014

2.1 STEP 1: SCOPING

Information gathered during the Scoping step is used to establish whether concessioning is an appropriate and viable option for a TFCA. This step helps authorities to decide whether to proceed or not.



2.1.1 GOALS, MOTIVATIONS AND OBJECTIVES

Establishing the goals, motivations and objectives for concessions at the beginning is important to ensure that the most relevant program design is created, and that the key stakeholders are agreed and share realistic expectations.

Discuss the overarching goals through a focused working group with the concessioning proponents (e.g. the Protected Area Authority (PAA); TFCA coordination unit). Ask a series of questions such as:

- Why do you want to do tourism concessioning, and how is it related to and motivated by particular policies?
- What are the objectives of the concessioning? (e.g. capital investment; revenue generation, employment; awareness raising; community benefits; spreading risk; sustainable development of tourism etc.)
- What will the concessioning need to achieve in order to be considered a success (e.g. value of investment; number of jobs etc.)
- How will you promote tourism development that is sustainable (i.e. with net benefits to conservation, communities, and the economy)?
- Which agencies have the mandate to commission and agree concessions in TFCAs? (e.g. is the concessioning 'authority' the government, a PAA, a community entity, the private sector, or another institution?)
- Is there political will for concessioning from all countries in the TFCA? Who are the likely champions that have influence among the key stakeholder groups?
- Are there specific destinations within the TFCA identified, prioritized and available for concessions, and/or appropriate tourism product types? Are the tourism product types compatible with TFCA conditions and objectives? (i.e. see **Table 1**). Is there market demand for these?

2.1.2 CONCESSIONS EXPERIENCE

Understanding the history and previous experience of tourism concessions in a particular TFCA is important to appreciate the context, previous levels of success (or not) in leveraging investment; challenges; and levels of skill and capacity that exist.

Discuss with key stakeholders such as ministry representatives, PPAs, and relevant development agencies and non-governmental organisations (NGOs) the following:

- Have tourism concessions been used in the country, this TFCA, and in this destination before?
- What type of business model was used? (e.g. management contract, lease, concession)
- What procurement process was followed? (e.g. tender, direct negotiation/unsolicited)
- What level of interest was there from investors in potential tourism concessions?
- What level of investment and type of tourism products were leveraged?

- What existing arrangements exist that can support/impede future concessioning?
- What issues arose in relation to transboundary issues? (e.g. borders, revenue sharing etc)
- Which measures for sustainable tourism practices were embedded within in the process?
- How and to whom does money from tourism in protected areas flow? (i.e. to conservation management, to staff wages and benefits, equity to communities, national governments, to a joint-TFCA fund etc.) Is it distributed fairly, in relation to roles, responsibilities, risk and investment?
- Which market segments were targeted in prior concessions and what marketing activities worked (and did not work)?
- What level of skill exists internally to design and implement concessioning? (i.e. do gaps need to be filled by hiring advisors)

Also ask stakeholders for copies of relevant reports on tourism investment and concessioning that can provide responses to some of these questions.

2.1.3 POTENTIAL BARRIERS TO CONCESSIONING

Concessioning is not a simple process. Concessioning is generally associated with high transaction costs for the both the authority and the concessionaire – particularly in terms of time and human resources. Aside from the difficulties, there are some elements that can act as barriers to concessioning in TFCA. These include the following⁹:

- **Political stability:** The political and security situation of a TFCA is not sufficiently stable for tourism investors to operate, or attractive enough for tourists to visit (i.e. local, national and regional stability).
- **Governance:** Political interference and/or corruption make a transparent and well-governed concessions procurement process impossible, or a process that takes too long, is confusing or expensive. Demand for concessions may be low if the authority has a weak track record, or if the specific TFCA is not fully functioning.
- **Legal issues:** The legal framework does not allow private sector investment, revenue generation, revenue sharing with TFCA countries, or repatriation of profits within TFCA, or for secure land tenure to be granted to the private sector, or does not include an appropriate tourism development planning framework.
- **Motivation:** The authority does not want to delegate revenue-generating activities, or areas of land, to a concessionaire.
- **Sensitivity:** The destination is considered too environmentally or culturally sensitive for tourism development, or the destination is already over-developed.
- **Attractiveness:** The area does not have sufficiently attractive natural or cultural features to develop a good tourism product that is compatible with the market demand; aligned with existing circuits; and is sufficiently different from competing destinations to be of interest to investors. Low levels of attractiveness may relate to poor or deteriorating attraction quality (e.g. reduced wildlife numbers, pollution, physical damage to attractions), or potential threats (e.g. mining prospecting, oil exploration, health concerns [e.g. malaria, HIV, ebola]).
- **Accessibility:** The TFCA is not sufficiently accessible, due to limited road or air access infrastructure.
- **Basic infrastructure:** The destination does not have adequate internal support infrastructure to suit the requirements of the investor (e.g. internal road network, power provision, water provision (and quality), cellphone network etc.).
- **Operating costs:** Costs are high when compared with other destinations, in relation to the cost of labour for the hospitality sector (including training of local community members); utilities

⁹ Adapted from Spenceley, A. Neville, H., and Souto, M. (In prep) Protected are tourism concessions: A toolkit, Report to the International Finance Corporation

(especially electricity), regulations or quotas for expatriate workers; training; concession fees (where fixed); and hospitality taxes.¹⁰

- **Skills and capacity:** The authority may not have sufficient expertise, capacity and resources to conduct concessioning, and manage agreements. This is a challenge, rather than a barrier, as external consultants may need to be sourced to provide support and transfer skills.

Discuss potential challenges with key stakeholders (including relevant ministries, PAAs, and key tourism investors), and review relevant reports, to establish where barriers exist and how these can be resolved.

Further reading

- Terms of reference for concessioning consultants (see Section 3.2)

2.1.4 WHETHER TO PROCEED OR NOT

In deciding whether to proceed or not with tourism concessioning, carefully consider the following:

- Have all the scoping issues been adequately addressed?
- Are the objectives of the agencies driving concessioning realistic?
- Is there political will for the process in the TFCA countries, and have champions been identified?
- Are there suitable destinations available for concessions and for appropriate, market-related tourism products?
- Are any of the barriers identified to concessioning non-negotiable ‘deal breakers’ for the authority, investors and other relevant stakeholders?

If the responses to these questions are ‘yes’, then proceed to the next step. If ‘no’, then re-think the concessioning program, and consider alternative options (e.g. delay concessioning until conditions are favourable).

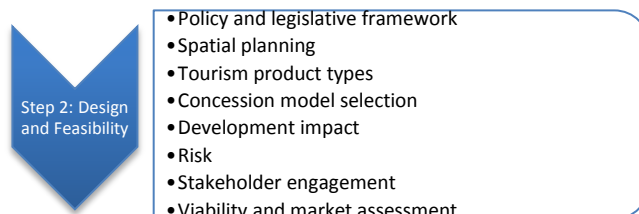
Further reading

- Background reading on concessions, protected areas and sustainable tourism (see Section 3.1.1)

¹⁰ Whyte, R., Perrottet, J., Di Fiori, V., and Neville, H. (2013) Global Investment Promotion Best Practices: Winning tourism investment, World Bank, Available from <https://www.wbginvestmentclimate.org/advisory-services/investment-generation/investment-policy-and-promotion/gipb/upload/Tourism-GIPB-report.pdf>, pp7

2.2 STEP 2: DESIGN AND FEASIBILITY

The Design and Feasibility step establishes what the tourism concessioning program will look like, including available sites, tourism products to promote, potential markets and the most favourable type of concession model. The design is aligned with the policy and planning context at national and local level, development objectives, and cognizant of potential risks. This step results in a high-level business plan for the concessioning program.



2.2.1 POLICY AND LEGISLATIVE FRAMEWORK

A legal assessment is needed to establish whether the conditions are viable for tourism concessions. This includes at national level and concession site level (e.g. for immobile tourism products), and international level (e.g. for transboundary products). In some countries, the legal framework outlines the way in which a concessions process should be conducted (see **Box 2**).

Box 2: Examples of legal frameworks for tourism concessions: Namibia and South Africa

Namibia: The Tender Board of Namibia Act authorizes the allocation of wildlife and tourism concessions on behalf of the minister in proclaimed protected areas¹¹. The Policy on Tourism and Wildlife Concessions on State Land guides the fair, transparent and efficient awarding of concessions on state lands, including the country's protected areas. The policy includes how concession opportunities are identified and awarded, and how they are monitored and evaluated.¹² Direct awards of concessions can be made with communities, who can then sub-contract to the private sector.

South Africa: The Public Finance Management Act has certain provisions that regulate public private partnerships these arrangements. The National Treasury has developed a Toolkit which provides a framework for implementing Public Private Partnerships in state controlled game reserves and national parks. All agreements now require National Treasury approval and a defined process must be followed¹³.

The **national and regional legal framework** should essentially provide for a concessionaire operating in a TFCA, to operate including the following conditions¹⁴:

- **Stable land tenure** for a specified duration, and also in relation to pricing and transferability of land, and applicable licenses and permits. These are critical factors that can affect the ability of an

¹¹ Ministry of Environment and Tourism (2007) Policy on tourism and wildlife concessions on state land, Republic of Namibia, accessible from [http://www.areasprotegidadas.net/sites/default/files/documentos/Namibia%20Tourism%20%26%20Wildlife%20Concessions%20Policy%20\(2007\).pdf](http://www.areasprotegidadas.net/sites/default/files/documentos/Namibia%20Tourism%20%26%20Wildlife%20Concessions%20Policy%20(2007).pdf)

¹² Ministry of Environment and Tourism (Undated) Tourism and Wildlife concessions in Namibia's protected areas, accessible from <http://www.met.gov.na/Documents/Concession%20Policy%20flyer.pdf>

¹³ National Treasury (2004) Public Private Partnership Manual: National Treasury PPP Practice notes issued in terms of the Public Finance Management Act, National Treasury PPP unit ; Davies, R. (2010) CIA Post completion monitoring, South African National Park (Project ID9907), IFC internal report

¹⁴ Adapted from Fearnhead, P. (2003) Commercial tourism concessions: a means of generating income for South African National Parks, Vth World Parks Congress, September 2003, Durban, South Africa, Accessible from http://conservationfinance.org/guide/WPC/WPC_documents/Apps_06_Fearnhead_v1.pdf

investor to obtain finance. Note that land within a TFCA may be held by the state, private sector, or may be communal, and it may or may not be protected for conservation purposes;

- **Options to use natural resources** in relation to the type of tourism product (e.g. hunting, photographic tourism, fishing);
- **Permission construct infrastructure** where relevant to their commercial activity (e.g. accommodation, restaurant, retail outlets etc), subject to local Environmental Impact Assessment (EIA) and Social Impact Assessment regulations;
- Ability for the private sector to **generate and retain revenue** from commercial activities, and to repatriate their profits, without double-taxation costs;
- Ability to **bring in capital investment** from other countries if needed, and to repatriate these funds at the end of the concession period if the facility is sold;
- Ability to **import materials, equipment and/or labour** to support the concession development and operation, including experienced management and training staff;
- Ability to **bring tourists into the concession area**, without onerous visa authorisation rules or excessive costs (e.g. for transboundary sports events, hunting safaris etc); and
- Any **gaps that exist**, which constrain developing and operating within the TFCA.

The legal framework should also allow revenue paid to the authority by the concessionaire to be used to finance conservation management, maintenance relating to the concession and associated local economic development initiatives.

At concession level, a legal assessment should include:

- Identification of the authority responsible for the concession site, that would authorize the concession process and agreement;
- A description of the legal procedure for land applications and approvals for the concession sites;
- Identification of any rights or licenses that have been issued to the sites previously;
- Any land rights in areas immediately adjacent to the concession area and the status of development plans in these areas, and evaluation of current status of these rights or licenses and their legality;
- Collection of all relevant documentation regarding such rights or licenses (including development proposals and reports); and
- Compilation of a map illustrating the areas of existing rights or licenses.

Some legal barriers may prevent a concessioning process from proceeding at proposed sites. Even where there is political will to adapt the legal conditions, the process may take considerable time to resolve. It is important therefore to discuss whether any legal barriers are ‘deal breakers’ for concessioning.

Further reading

- Policy background (Section 3.1.2)
- ToRs for legal advisors at national and destination level (Section 3.2)
- Policy context for SADC countries (Section 3.3)

2.2.2 SPATIAL PLANNING

Identify what spatial plans exist for the concession area, and what relevant information they include to guide a concessioning process. Depending on the type of land (i.e. protected or not), the plans may include protected area management plans; TFCA Tourism Plans; or Integrated Development Plans, and these may (or may not) be legally adopted. All relevant stakeholders need to be aware of the plans, and ensure that they are used to guide the concessions process.

Spatial plans should ideally indicate which areas are zoned or allocated for tourism and concessions, particularly in relation to maximizing positive environmental and socio-economic impacts. The plans

should ideally define the type, character and location of visitor facilities, activities and services, and also relevant stakeholders. The plans should demarcate land use, zoning on the intensity of tourism, environmentally and culturally sensitive areas, highlight risks, and include adequate maps (i.e. with GIS). Note that some tourism product options for TFCAs may be located entirely within a protected area (e.g. accommodation), on communal or private land (e.g. community-based lodges), or may overlap different several land-types (e.g. a transboundary 4x4 route). Use the existing plans to provide the investment framework for concessioning, in combination with site visits, to identify the site options for concessions, including their locations, size, attractions, and number.

If no plan exists, the concession process may need to be modified to include the development of an appropriate plan, using a team of personnel from national, local and TFCA agencies. The plans should include bankable concession projects, with business-related financial plans. Alternatively, concessioning can proceed if there is common agreement among key stakeholders. Without a plan (or without consensus), there is a risk that conservation, development and tourism will be haphazard or incompatible with market preferences, that it may take place in response to political pressure, or without consideration for the future or environmental or social conditions. As a result, opportunities may be lost, and there could be irreversible damage to the TFCA resources¹⁵.

Further reading

- Spatial planning and example tourism development plans (Section 3.1.2)

2.2.3 TOURISM PRODUCT TYPES

Types of tourism that take place in TFCAs within the SADC region tend to incorporate the use or appreciation of nature and/or culture (see **Table 1** below). Furthermore, they need to be appropriate to the TFCA conditions so that tourism that can take place in a sustainable manner, appropriate to target markets, and not undermine the natural or cultural resource.

Table 1: Appropriate tourism activities and products in SADC TFCAs

Tourism activities and products		Examples from TFCAs in SADC
Activities	Wildlife viewing	Wildlife safaris, bird watching, photographic safaris, whale and dolphin watching. These may be vehicle based (e.g. 4x4; overland truck; boat), on foot, or other means (e.g. horse riding; elephant back-safaris, balloon or helicopter trips)
	Sports	Including mountain biking (e.g. Tour de Tuli), hiking (e.g. Tour de Pafuri); marathons running-races (e.g. Wildrun), and mixed-activity events (e.g. Desert Knights: canoeing and mountain biking)
	Hunting	Fishing and trophy hunting
	Adventure	Including bungee jumping, mountain climbing, canopy swings, and 4x4 drives, hot-air ballooning, aerial walkways, boat trips, scuba diving
	Education	Learning about particular species, environments, cultures and current issues
	Volunteer work	Support to ongoing research projects on conservation, or social development projects.
Tourism products ¹⁶	Accommodation	Lodges, hotels, guest houses, permanent and mobile camping facilities, houseboats, conference facilities, homestays
	Heritage and culture	Museums, interpretation and exhibition centres.
	Transport and tour operations	Including transportation and guiding, car hire, events, cable cars, ziplines, airports
	Natural resource use	Hunting and fishing

¹⁵ Adapted from Young, C. and Young, C. (1993) Park planning: A training manual (instructors guide), College of African Wildlife Management, Mweka, Tanzania. Cited in Thomas, L., and Middleton, J. (2003) Guidelines for management planning of protected areas, WCPA Best practice protected area guidelines series no. 10, IUCN, Cardiff University.

¹⁶ Adapted from Eagles et al, 2009, op. cit.

Catering facilities	Restaurants (independent or franchise), cafes, mobile catering facilities, picnic areas
Retail facilities	Gift shops, sale of self-catering supplies
Information provision	Interpretation and guiding

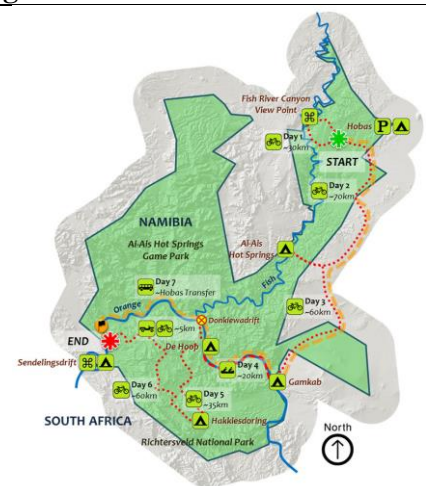
When deciding what tourism activities and products should be promoted through tourism concessions, check that they are compatible with the relevant spatial plans (see section 2.2.2) and target markets. Also consider that certain products:

- **Require considerable capital investment**, with higher levels of financial risk to investors and shareholders, and therefore requiring longer concession periods or incentives to make a profit (e.g. luxury lodges; hotels; restaurants). Capital investment may also address improving visitor accessibility and basic services, which may be financed by investors and/or the state or a combination of the two. Some products, however, need **little capital investment**, and have lower levels of financial risk and so require shorter concession periods (e.g. hiking trails, cycle events, camp sites).
- **Require approvals from numerous agencies**, such as in the case of transboundary events may require approvals from departments of immigration, labour and finance. Process can be complex, time-consuming, inconsistent and frustrating for concessionaires and support agencies. In some instances, new or adjusted regulations and protocols may be required.
- Are based on **essential natural and cultural resources** that make the particular product viable, different from competitive destinations, and adequate supporting infrastructure.
- **Need considerable skill, product knowledge, and business acumen** to develop, for example with specialised tourism activities such as hunting, scuba diving, or birding tours.

Some products may be so complex or untested that they need to be ‘incubated’ by a champion (e.g. a private operator, a PAA, a TFCA management unit, or an NGO) before they are ready for concessioning. If they are concessioned too early, conservative investors may not be willing to take on the substantial levels of risk. During the incubation period, a product may need substantial marketing and promotion; stakeholder capacity building and training; or require the development of transboundary protocols (e.g. Standard Operating Procedures for border movements and revenue sharing; manifests). In some instances, this may take several years (e.g. see **Box 3**).

Box 3: Examples of transboundary event incubation: Desert Knights¹⁷

Desert Knights is a 7-day event that combines night-time mountain biking and a day of canoeing in the /Ai/Ais Richtersveld Transfrontier Park. The event was designed to promote cross-border tourism activities and itineraries in TFCAs. The Namibian Ministry of Environment and Tourism (MET) embarked on a concessioning process in 2011 on behalf of the Joint Management Board (JMB). However, because the event did not have a track record in the market, and operational costs were unknown, private operators were unwilling to agree to fixed minimum fees. Since then, Namibia Wildlife Resorts, the Namibian parastatal responsible for tourism management in protected areas, has been tasked by the JMB to operate the event on their behalf. Product design for the event was supported by the Peace Parks Foundation (PPF) and Boundless Southern Africa, in collaboration with both PAAs. The event was piloted over two years, 2011 and 2012, where logistics and market demand were tested, and journalists and operators were invited to participate. For the 2014 tour, 100 tourists had signed up within 2 weeks of bookings opening.



¹⁷ <http://www.desertknights-mtb.com/tour-overview>, Pers Coms. P. Bewsher, PPF, 2014; R. Vorwerk, Boundless Southern Africa, 2014

Further reading

- Case studies on tourism concessions and transboundary events (Section 3.1.2)

2.2.4 CONCESSION MODEL SELECTION

There are three main types of concession model: Management, Service/lease and Pure Concession (or Public Private Partnership (PPP) (see **Table 2**).

Table 2: Tourism activities and products in SADC TFCA¹⁸

Type of agreement	Description	Typical length	Asset ownership	Example of tourism product type
Management	The authority delegates management to an experienced private operator through a management contract, in return for the payment of fixed management fees, based on performance. The management contract has clear performance indicators.	5 years	Authority: Part of the operating risk may be transferred to the concessionaire.	Management of established accommodation, restaurant, event or retail facility (e.g. Awelani Lodge, operated by Transfrontier Park Destinations).
Service / Lease	The authority creates a lease agreement with the concessionaire. The concessionaire's profits depend directly on the operating profits of their tourism enterprise, and they adopt full operating risk.	<5 years	Authority: Owns infrastructure, cash flow, operations management, and retains investment risk	Operation of established accommodation, restaurant, or retail facility (e.g. Witsieshoek Mountain Lodge in Maloti-Drakensberg TFCA)
Pure concession or Public Private Partnerships (including Community PPPs)	Options include Build Operate and Transfers (BOTs) and Rehabilitate-Operate-Transfers (ROT's).	15-25 years	Concessionaire/ Authority: Concessionaire investments, and the operating and investment risks are substantially transferred to the concessionaire. Assets are transferred back to the authority at the end of the agreement.	Construction (or rehabilitation) and operation of facility, such as accommodation (e.g. Singita Lebombo in Kruger National Park (GLTFCA)

In deciding which type of concession model to use, the authority should consider:

- How **investment, operating and market risks** should be shared between the authority and concessionaire, depending on the level of risk the authority wishes to transfer.
- The **financial feasibility**, including the cost-effectiveness of the process, the financial feasibility (including size of any incremental costs on investment, operation and maintenance), and demand forecasts and market structure, tariff or price assumptions, operating cost, capital cost, and funding requirements and costs (debt and equity).¹⁹

¹⁸ Kerf, M., Gray, R. D., Irwin, T., Levesque, C., and Taylor, R. R. (1998) Concessions for infrastructure: A guide to their design and award, World Bank Technical Paper no. 399, World Bank and Inter-American Development Bank and IFC (2012) IFC Advisory Services: Public private partnerships, CP3 Operational Manual

¹⁹ IFC (2012) IFC Advisory Services: Public private partnerships, CP3 Operational Manual

- The **level of capital investment** needed for the tourism product, and time needed to make a return on that investment: i.e. if infrastructure already exists, a service or lease agreement will suffice. If new facilities are required, a pure concession may be considered.
- Whether the **tourism product is sufficiently attractive** to the target markets or whether it requires an incubation period (i.e. a transboundary event operated under a management contract) and marketing support; and
- Who the **contracting authority** would be (e.g. a particular ministry, government department, protected area authority, community based organization etc), and what their obligations would be.

A concession period should be sufficiently long for the investor to generate a reasonable return on their investment, including their initial capital outlay and their profit. The contract term may be negotiated between the parties in relation to the relative risk and returns. Concession periods within SADC include 10 years for safari hunters (e.g. Namibia, Zimbabwe), 25 years for PPPs (e.g. Malawi, Malawi, Namibia, South Africa, Tanzania, Zambia, Zimbabwe), and of 40 years and more for community concessions (e.g. Lesotho, Mozambique, South Africa) where considerable capacity building and skills transfer is required.

Further reading

- Concession model and PPP reference guides and reviews (section 3.1.2)

2.2.5 DEVELOPMENT IMPACT

Development impacts can be experienced at the national and local level. At national level, they can relate to the level of employment, changes in the overall economy (i.e. improved tax revenues that are used to improve local service delivery), reduced poverty, and improvements in society and wellbeing. At the local level, development impacts relate to the effect of concessioning on local communities, including benefits and costs. Local communities are key stakeholders who may be living within or on the periphery of a TFCA, using the natural and cultural resources for their livelihoods. Tourism concession planning should include strategies to maximise the net positives impacts in relation to livelihoods, assets, and the institutional environment²⁰ in comparison to the baseline. Neglecting development impacts may lead to conflict between concessionaires, local stakeholders, or tourists, and also to unsustainable use of wildlife and other natural, cultural and human resources.

One way that communities can benefit is through ownership of concession enterprises. The extent of local involvement often has implications for how the operation approaches local economic and community development. Equity options for concessionaires typically include:

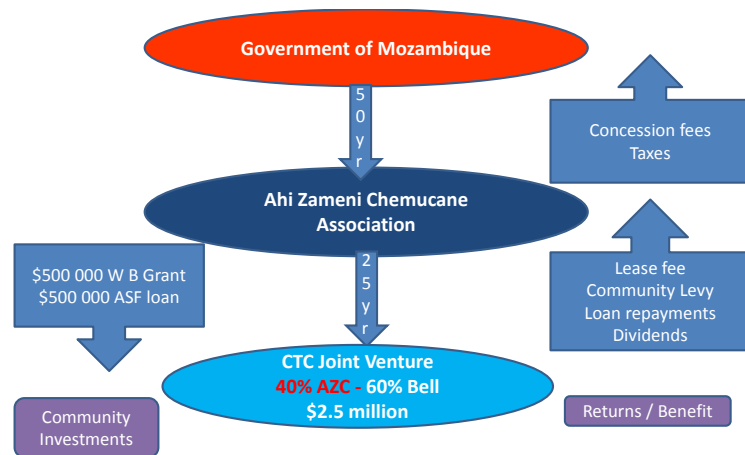
- Community-owned enterprises (100% community owned) (e.g. Ahi Zamani, Lubombo TFCA: see **Box 4**).
- Joint-venture partnerships (X% private; Y% community based enterprise) (e.g. Rocktail Beach Lodge, Ponto do Ouro Kosi Bay Marine TFCA).
- Private sector enterprises (100% private) (e.g. Jock of the Bushveld, Great Limpopo TFCA).

²⁰ Adapted from Ashley, C. Roe, D. and Goodwin, H. (2000:4) Pro-Poor Tourism: Putting Poverty at the Heart of the Tourism Agenda. <http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/2861.pdf>

Box 4: Lodge: a joint-venture concession in the Maputo Special Reserve, Lubombo TFCA²¹

The Ministry of Tourism (MITUR) in Mozambique signed a 50-year agreement with a community association, Ahi Zameni Chemucane (AZC), for the 810 ha Chemucane concession in the Maputo Special Reserve. The AZC represents three communities, comprising about 100 families, and 1000 residents. The Bell Foundation Trust, a private partner, formed a joint-venture company with AZC called Companhia de Turismo de Chemucane Ltd (CTC), which has a 25 year partnership contract with AZC to develop and operate the site. AZC holds 40% equity in CTC, which was financed by

a USD500,000 grant from the Community Enterprise Fund of a World Bank/MITUR project on TFCAs, and a USD360,000 (ZAR 4 m) interest free loan from the African Safari Foundation. The Bell Foundation Trust hold the remaining 60% equity. Government benefits from a lease fee paid by CTC (USD53,200 per annum [MZN 1.62 m] plus 2.5% turnover, with a guaranteed amount of USD15,700 [MZN 479,000]) and a bed levy of USD6 per night. The lodge plans to open by February 2015, and local salaries are estimated to be USD60,000 in the first year of operation, and social commitments of CTC include local procurement and a training and succession plan. The AZC are projected to re-pay their loan within 10 years of operation.



Concessions processes can maximize the net-benefits to local people by encouraging bidders to include various options for local involvement. In addition to equity, this can include:

- Direct employment in the tourism concession business, including training and advancement to managerial level positions;
- Supplying products and services directly to tourists (e.g. guiding services) or the concession operators (e.g. maintenance, fresh produce, transport); and
- Community development projects from philanthropy, corporate social responsibility, spending by concessionaires or their clients, or contributions (in cash or in-kind) by skilled volunteer-tourists.

A concessioning authority should be aware of the different ways that positive development impacts can be encouraged, and may decide to give more weight in procurement processes and information provided to investors to the types it would like to encourage (e.g. see an example South Africa below). Greater involvement of rural communities is likely to require more time than working directly with the private sector, and this needs to be factored in to the planning.

Box 5: Enhancing development impacts through concessioning in South Africa

In 2000, concession bids in Kruger National Park of the GLTFCA included 'empowerment plans' which received 20% of the weighting during the proposal reviews. Elements included were (1) shareholding by historically disadvantaged individuals or groups, (2) training and affirmative action in employment, and (3) business and economic opportunities for local communities. Contracts signed by successful bidders required that they provide SANParks with an annual report to quantifiably account for their empowerment activities and achievements, in relation to their bid objectives. In this regard, SANParks reserved the right to impose penalties if concessionaires

²¹ Adapted from Collins, S. (2012) Ponto Chemucane, Maputo Special Reserve: Putting community at the centre? Available at <http://www.slideshare.net/AnnaSpenceley/chemucane-maputo-special-reserve-steve-collins> and Collins, S. (2014) The role of NGOs in facilitating tourism concessions and providing support to communities entering joint-venture agreements, Available at <http://www.slideshare.net/AnnaSpenceley/the-role-of-ngos-in-tourism-concessions-steve-collins>, Pers. Com. L. Giles, 2014, Pers. Com. S. Collins, 2014 Currency conversions using Oanda.com on 23 September 2014 USD1: MZN30.45: ZAR11.1

failed to meet their empowerment obligations. Proposals received for accommodation concessions in Kruger National Park ranged from 7.5% to 68% shareholding from historically disadvantaged individuals.²² By 2014 these concessions had achieved nearly 500 permanent and temporary jobs.²³

Further reading

- Case studies on tourism concessions with substantial development impacts (Section 3.1.2 and 3.1.1)
- Links to guidance on improving development impacts of tourism, including joint ventures and value chain links (Section 3.1.2)

2.2.6 RISK

Risks associated with concessions programs may be financial, political, environmental, social or external. They can lead to costly delays, stoppages, negative publicity, threats to the operation, and unforeseen expenditures. There can also be reputational damage to the protected area authority, which may ultimately be more costly than the immediate financial cost impacts of a project.²⁴ A risk assessment should be undertaken, addressing the area of influence of a concession, including:²⁵

- Identification of financial, political, environmental, social, health, reputational and market risks of the concession, options for reducing and mitigating risk, and alternatives;
- The area to be affected by the tourism concession, its operation and contractors;
- Associated facilities, that would not be developed if the concession did not exist;
- Alternative livelihood options that would not be developed without the concession; and
- Cumulative impacts, resulting from incremental impacts relating to other existing or planned developments (e.g. other tourism facilities, concessions).

A risk mitigation plan should be developed to establish standards, liabilities, identify and monitoring changes in those standards throughout the procurement process, and also the life cycle of a tourism concession. In some instances, the risks may be too high, and the mitigation options too challenging or costly, in which case the concessioning would not proceed.

Further reading

- Risk assessment guidelines, including matrices, and mitigation plans (section 3.1.2)

2.2.7 STAKEHOLDER ENGAGEMENT

Involving stakeholders at every stage of the concessioning process ensures that their perspectives, knowledge, and support are incorporated²⁶. Stakeholder engagement should include:²⁷

²² Spenceley, A. (2003) Tourism, local livelihoods and the private sector in South Africa: case studies on the growing role of the private sector in natural resources management. Sustainable Livelihoods in Southern Africa Research Paper 8, Institute of Development Studies, Brighton, accessible from <http://www.anna.spenceley.co.uk/files/TourismLivelihoods&PrivateSectorSpenceley.pdf>, pp51

²³ Pers Com. I Dokrat, SANParks, 2014

²⁴ IFC (2014) Managing environmental and social risks, accessible from http://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/IFC+Sustainability/Risk+Management/

²⁵ Adapted from IFC (2012) op. cit

²⁶ Walton A. Gomei M. and Di Carlo G. (2013) Stakeholder engagement: Participatory Approaches for the Planning and Development of Marine Protected Areas. World Wide Fund for Nature and NOAA— National Marine Sanctuary Program, accessible from http://awsassets.panda.org/downloads/stakeholder_engagement.pdf

²⁷ Adapted from http://tourisminvest.org/_manual/manual_workstream_stakeholder-mgt.html

- Development of a stakeholder engagement strategy for the TFCA concessioning;
- Identification and mapping of stakeholders and beneficiaries (including within government, protected area authorities, private sector, locally affected communities, existing civil society groups, academic community, development community);
- Determination of the level of stakeholder engagement (i.e. inform, consult, involve, collaborate, or empower) and mechanisms to engage and communicate effectively;
- Sensitization to secure support and participation in the investment facilitation process; and
- Technical assistance to community members that intend to participate in a concession investment.

The types of stakeholders relating to tourism concessions can include those outlined in the table below²⁸.

Table 3: Stakeholders and their role in tourism concessions

Type of Stakeholder	Interest or role in the Concession Process
National or local government authorities	Ensure that the proposed concession process satisfies local and national legislation and adheres to all specified regulations, or that new or adapted policy instruments are created. This can relate to land issues, and transboundary elements relating to immigration, accessibility, importation of goods and services, labour, and community benefits.
Politicians	Ensure that the agreed process meets the needs and expectations of their constituents, and relates to overarching policies.
Protected area authorities	Ensure that the concession does not undermine conservation of the natural and/or cultural asset, and that it contributes financially to the management costs. Concessions should not undermine the competitiveness of the protected area.
TFCA management units	Ensure that concessions are aligned with TFCA development and tourism plans, and that participating countries contribute and benefit equitably.
Destination Management Organisations	Ensure that the tourism destination has a coordinated approach to investment, promotion and also sustainable tourism development.
Private sector (including tourism and other sectors)	Interest in benefiting from the concession (directly or indirectly) or (with existing investors) to ensure that new concessions do not impede their current performance.
Locally affected communities or individuals (including leaders, action groups, legal entities, landowners, occupiers)	Interest in ensuring the concession improves the livelihoods for present and future generations and does not negatively affect their environment or way of life. Local community members may also be concession holders, or partners in joint-venture partnerships with the private sector.
Civil society organizations and groups with special interests	Represent the views of groups with less of a voice (i.e. economically and socially marginalised communities, indigenous peoples) or no voice (i.e. wildlife, natural resources, ecosystems).
Academic community	Provide advice on research conducted or required in the concession area or other relevant locations.
Development community (including donor and development agencies, and non-governmental organisations)	Providing funding and technical support, which may have projects supporting protected areas, their authorities, and poverty reduction initiatives for communities. Sharing lessons learned during implementation of previous projects including mistakes and risks to be avoided.

Good practices in disclosure and consultation stakeholder engagement include:²⁹

- Document consultation, including where and when meetings were, who participated, issues raised and responses to them;
- Disclose reports and management plans, including through publically accessible locations and weblinks;
- Ensure that information is provided, and consultation conducted, in the stakeholders' languages;

²⁸ Adapted from IFC 2007, pp 10, op. cit.

²⁹ IFC (2007) op. cit.

- Notify affected stakeholders of where and when documents can be reviewed;
- Respond to comments, including acknowledging receipt, and informing stakeholders whether comments were adopted or not (and why);
- Adequate management of stakeholder expectations, including the likely timeframes, risks, costs and benefits of concessions;
- Planning and resources to sustain stakeholder engagement throughout the concessioning process and concession operation period; and
- Distribute an executive summary or newsletter, in simple and easily understandable format, focusing on key issues and future stakeholder consultation.

Further reading

- Guidance on stakeholder engagement, identification and mapping (section 3.1.2)

2.2.8 VIABILITY AND MARKET ASSESSMENT

The revenue from tourism concessions can generate investment that can provide important funds to maintain the conservation efforts of PAAs (see **Box 6**). However, it should be noted that some concession opportunities will not be very attractive to the private sector, if an appropriate return on investment is unlikely or risks are too high. To understand the viability of a tourism concession, a high-level business plan needs to be compiled. This is informed by a situational analysis and stakeholder mapping and appropriate engagement, as discussed above.

Box 6: How much money can tourism concessions make?³⁰

South African concessions: Between 2002 and 2012, tourism concessions and rentals operated by South African National Parks generated R492.6 million (USD58 m). Tourism products included accommodation, canoe trails, houseboats, and the rental of shops and restaurants.

Namibian concessions: Since 2007 Namibia has granted more than 10 concessions for tourism to communities living in or adjacent to protected areas. These have generated investment of about N\$200 million (USD19 m), and the State received about N\$11 m (USD1 m) in concession fees.

Mountain bike event: Tour de Tuli: The 300 fee-paying cyclists make a donation of R19,800 (USD1860) to the organizing NGO, Children in the Wilderness (CITW). Total income is approximately R5.94 m (USD558,000), and after costs are deducted, CITW retains a profit of between R900,000 and R1 m (USD85,000-95,000). Between 2005 and 2013, 2369 cyclists raised R11.6 million (USD1.1 m), which supported 5100 children to attend a CITW camp, and for over 2500 children to participate in an Eco-club program in 7 SADC countries.

Mountain bike/Canoe event: Desert Knights: A maximum of 120 participants paid N\$/R9500 (USD900) each to participate in 2014. The revenue is mainly used to pay for expenses relating to organizing the tour, including marketing, food and drinks, fuel etc. In 2014 surplus funds of N\$/R 260,000 (USD30,450) were partly invested in additional equipment to be able to host future events. The remaining funds are held in an operating account for the /Ai/Ais Richtersveld Transfrontier Park, and spent on joint operations by Namibia and South Africa as identified by the Park Management Committee.

³⁰ South Africa: SANParks (2012) Annual report, <http://www.sanparks.org/assets/docs/general/annual-report-2012.pdf>; pp29-30; Exchange rate of 1 June 2012 used of 0.11714, www.oanda.com, Namibia: <http://www.met.gov.na/SPAN/Pages/Concessions.aspx>; Desert Knights: Pers Com. P. Bewsher, PPF, 2014; Pers Com. R. Vorwerk, Boundless SA, 2014; Tour de Tuli: Pers Com. S. Snyman, Wilderness Safaris/Children in the Wilderness, 2014, Snyman, S. (2014) Nedbank Tour de Tuli, Presentation to the GMTFCA Trilateral Technical Committee on 11 April, 2014, Johannesburg, South Africa.

A **situational analysis of tourism** should be undertaken through a review of literature and consultation with identified stakeholders within authorities and the private sector. This should include a supply and demand assessment that establishes a baseline:

- **Demand:** Collate information on national and destination statistics on numbers of arrivals, source markets, demographics, length of stay, expenditure, occupancies, type of accommodation used, destinations visited, activities undertaken, trends, and development objectives of the authority.
- **Supply:** Review information on existing and competing accommodation (including number, type, capacity, quality, rates), tour operations/guides, restaurants, transport, information and planned new tourism products, attractions (see **Table 4**), and competing destinations and products.

Table 4: Tourism attractions and examples in SADC TFCAs

Tourism attractions	Examples from TFCAs in SADC
Landscape	Waterfalls like Victoria Falls in the Kavango Zambezi TFCA; desert features in the Ai/Ais Richtersveld TFCA; mountain ranges of the Maloti-Drakensberg TFCA
Wildlife	The 'Big 5' of elephant, rhino, buffalo, lion and leopard in terrestrial TFCAs; whales and dolphins and aquatic species in marine protected areas
Plant life	Endemic and unusual plants of the Ai/Ais Richtersveld TFCA including aloes, succulents, daisies.
Indigenous culture	Contemporary and traditional dress, food, music dance, stories and craft
Historical sites	Buildings and monuments and sites of religious significance, such as the archaeology and rock art of Tsodilo Hills, a World Heritage Site, in the Botswanan part of the Kavango Zambezi TFCA

Early **consultation with the private sector** will help establish whether there is interest in the concession opportunities:

- Develop a **database** of local and regional tourism investors and operators who have developed similar products elsewhere to the concessions that will be offered.
- **Discuss with a selection of the potential investors** whether the proposed concession sites and product types are of interest to them; competing sites and destinations; whether they would apply for a concession if it became available; whether they would bid in a tender process; what capital they would invest; whether the levels of infrastructure (i.e. air access, roads, power, communication) are viable; whether the concession model proposed is attractive; local stakeholder expectations; and anticipated challenges and risks.
- During this consultation, it is important to **share information** with investors on the likely fee structure; incentives; land tenure; environmental issues and community involvement. Feedback on these elements can be used to shape the procurement strategy, deal structure and investment promotion strategy. This information can be provided through information and business centres.

Building on the information collected, it is useful to develop a dynamic and adaptable **high-level business plan** to guide the procurement strategy, including the following elements:³¹

- Goals and objectives of concessioning;
- Products and services to be developed, ensuring that they are compatible with the environmental and social sensitivity of the destination;
- The concession model (i.e. management, lease, BOT, ROT), including roles and responsibilities of the authority and concessionaire, and relevant institutional arrangements;
- The business model (e.g. private sector, joint-venture, community-owned enterprise);
- Industry and market analysis, including supply and international, regional and domestic demand; as well as competitor and risk analyses;

³¹ Adapted from Alberta Tourism, Parks and Recreation (1991) Tourism business planning guide: a guide to assist with the preparation of a business plan, accessible at https://www.albertacanada.com/files/albertacanada/2-Business_Planning_Guide.pdf

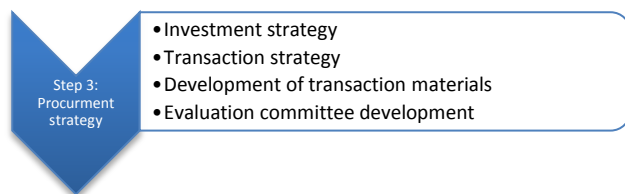
- Project schedule, including the life cycle of the concession, including procurement process, duration and exit;
- Marketing plan, including product, price, promotion, and place, and roles of different agencies (e.g. Destination Management Organizations);
- Financial plan and projections, including best, average and worst-case scenarios;
- Sustainability plan, including direct and indirect socio-economic and cultural linkages with local communities, biodiversity conservation and environmental management;
- Critical risks and assumptions; and
- Monitoring and evaluation of the concession.

Further reading

- Tools for viability and market assessment, and literature on bankable projects (section 3.1.2)
- Resources for background information on supply and demand and investment climate (section 3.1.2)

2.3 STEP 3: PROCUREMENT STRATEGY

The Procurement strategy provides the framework, materials and support systems for the concession transaction to take place.



2.3.1 INVESTMENT STRATEGY

The investment strategy for tourism concessioning includes information identified during previous steps, including investment objectives (sections 2.1.1), the type of tourism products (section 2.2.3), the commercial proposition (see 2.2.8) and the development objectives (see 2.2.5). It also includes the location and number of tourism concessions (see 2.2.2), the concession model and tenure length (see 2.2.4).

In developing the strategy, the authority should consider options for:

- **A phased approach:** Releasing a small number of highly attractive sites at first to stimulate demand and raise awareness, which can be followed by additional sites in a few years time. For example, in Kruger National Park (Great Limpopo TFCA), accommodation concessions were offered in 2000, followed by restaurant and retail concessions later. Establishing community concessions may take longer than private sector concessions, due to the level of capacity building and training required.
- **Inviting concession models with different commercial and development impacts:** Offering concession sites to international operators, regional operators, and local operators (including community-owned enterprises) (e.g. as in the Maputo Special Reserve, Lubombo TFCA), and to those that promote sustainable tourism practices.
- **Timing:** Concessioning should avoid taking place during periods when external factors could constrain the outcome, for example similar concessions being offered in other TFCA at the same time, or global economic factors (e.g. recession, currency fluctuations).
- **Investment platforms:** Including different channels of outreach to investors regarding the concession opportunities.

The investment strategy should also incorporate the development of attractive, informative and accurate **investment promotion materials**. These should be developed for each concession site to brief investors, and to demonstrate how the concessions are distinguishable from other opportunities in other destinations. Investment promotion collateral may incorporate brochures, electronic documents and presentations for investor forums, to provide packaged investment information. Types of information to provide in the materials include information that investors indicated they need (see 2.2.8) and:³²

- **Hard evidence (facts and data) to qualify, quantify, and allay investor concerns** about a location, including land costs and acquisition procedures; plans for supporting infrastructure; plans for future concession allocations in other parts of the TFCA; construction permit costs and procedures; relevant licenses, inventory costs, concession fees (whether regulated and fixed, or market-led), and procedures; relevant taxes, levies and custom duties, and procedures; labour costs and regulations including expatriate labour regulations; incentives; utility costs and connection

³² Whyte, R., Perrottet, J., Di Fiori, V., and Neville, H. (2013) Global Investment Promotion Best Practices: Winning tourism investment, World Bank, Available from <https://www.wbginvestmentclimate.org/advisory-services/investment-generation/investment-policy-and-promotion/gipb/upload/Tourism-GIPB-report.pdf>, pp7

procedures; communications costs and connection procedures; names and contacts of support institutions, lawyers, notaries, accounting firms, financial institutions, and construction companies; inventory of relevant policies, laws, and regulations; inventory of relevant reports (research by accounting firms, development partners, and others);

- **Examples of how risks have been identified** and risk management plans incorporating the roles of relevant stakeholders.
- **Information on positive trends** that indicate progress or news that the issues are resolved, and the value proposition of operating in a TFCa.

A communication and outreach strategy should be devised to ensure that the targeted types of investors receive information about the opportunities. This may include specific launch events, participation in international trade fairs, individual meetings with targeted operators, newspaper and magazine advertisements, social media. It is useful to target outreach to the private sector companies that have already shown an interest in the concessions (see section 2.2.8).

Further reading

- Guidance on materials to include in investment promotion packages, and examples (section 3.1.3)

2.3.2 TRANSACTION STRATEGY

Selection of an appropriate procurement process has critical implications for the success or failure of a concessioning process. Characteristics of successful concession transactions include:

- Transparency, consistency and good governance, and good communication, with clear criteria for the award of a concession.
- Short and cost effective concessions procurement process, including the negotiation period.
- Providing good deal for all stakeholders, with agreed environmental and socioeconomic benefits.
- An experienced and skilled concessioning team, who have clear roles and responsibilities.
- A contract period that is sufficient for the investor to make a return on their investment.

There are two main options for concessioning: competitive bidding, and direct negotiations / unsolicited proposals. The authority may have some flexibility in type of transaction strategy, but in some countries the approach is prescribed in legislation (see 2.2.1). The transaction strategy and process should be approved by the relevant authorities (e.g. concessioning authority, relevant ministries, funding agencies).

Option 1. Competitive bidding (tender)³³: This process is generally considered the most transparent, it provides a market-based system for selecting the best proposal, it stimulates most interest among investors, and generally has lower associated costs than the other options. The process generally includes:

- Public notification of the authority's intent to award a concession for a private infrastructure project or service, sometimes including a request for Expressions of Interest (EoI). Advertisements help to raise awareness among investors of the concession opportunities, and an Expression of Interest (EoI) is a statement from companies indicating their intention to apply for a concession. EoI's can help the concessioning authority to understand the level of market demand.
- A formal process for prequalifying potential bidders, in relation to key criteria. Prequalification establishes which companies have the financial strength and sufficient technical and business experience to be trusted with a tourism concession.
- Distribution of information memoranda, bidding documents including descriptions of how how

³³ Gray, R. D., Irwin, T., Levesque, C. and Taylor, R. R. (1998) Concessions for infrastructure: a guide to their design and award, World Bank Technical paper no 399. World Bank and Inter-American Development Bank

the bidding is conducted, what information is needed in proposals and related draft contracts to potential bidders.

- A formal public process for presenting proposals, evaluating proposals, and selecting the winner.

The transaction strategy should establish the protocol for screening bids (i.e. review of Social and Environmental proposals first; if these are acceptable, then review the Financial offer) (see 2.3.3 and Step 4).

Option 2. Direct negotiations / unsolicited proposals³⁴: Investors may wish to avoid competitive processes in tourism concessions particularly if:

- they have intellectual property rights to a product (e.g. a transboundary product that they have incubated); or
- there is a lack of private sector interest, due to the small scale, remote location or potential risk of the project.

Processes used to manage unsolicited proposals, and improve their transparency and the level of competition, include two stages which are outlined below:³⁵

Stage 1: Approving unsolicited proposals

- Submission of a description of the project to the appropriate authority.
- The authority gives a preliminary response as to whether the project is of interest, and may request additional legal, financial and environmental studies to be done by the investor at their own cost. If the concept is accepted, then the investor receives formal recognition of the concept and their preliminary proposal.
- A detailed proposal is developed including a) the investors ability to develop and operate the project; b) a technical feasibility study, c) estimated project cost and financing plan, d) an income and expenditure plan, e) justification of the need for the project, and f) environmental or social impact studies. A bid bond may be requested at this time if a guarantee of the seriousness of the investor is required.
- The detailed proposal is reviewed and negotiated between the proponent and authority. If accepted, the project moves to stage 2.

Stage 2: Tendering unsolicited proposals

Usually one of three systems is used selected, to generate a competitive process. These are outlined below:

- **Bonus system:** A formal competitive bidding process takes place, but the original proponent receives a bonus, such as an additional number of points on the score of their proposal (i.e. up to 10%). The size of the bonus is publicly announced, as is the estimated reimbursable costs for the proposal development.
- **Swiss challenge:** A public tender process is announced. The original proponent may be requested to provide a bid bond equivalent to that required from potential challengers. If a competitor submits a better offer (financially and technically), then the original proponent may have a period to match it (e.g. 30 days). If they cannot match the challenging offer, then the challenger is awarded the concession.
- **Best and final offer system:** Invitations for proposals are publically announced. Bids are received, evaluated and ranked – including from the original proponent. The two best bids are selected for a second round, including the proposal from the original proponent. Best and final offers are requested from the short-listed bidders. If the winning bidder is not the original proponent, the winner is required to reimburse their project development costs.

³⁴ Hodges, J. T. and Dellacha, G. (2007) Unsolicited infrastructure proposals: how some countries introduce competition and transparency, Public-private infrastructure advisory facility, Working Paper no. 1: pp5-8

³⁵ Hodges, J. T. and Dellacha, G. (2007) Unsolicited infrastructure proposals: how some countries introduce competition and transparency, Public-private infrastructure advisory facility, Working Paper no. 1

Box 7: Problems with direct negotiations and unsolicited proposals

Awarding concessions without competitive bidding can create public concern over the project legitimacy, as corruption can be more easily concealed if the award process is not transparent enough. The lack of transparency leaves them open to accusations of corrupt processes (even if they are not). An open tender, even with only the original proponent, can demonstrate that there is only one interested bidder, and provides evidence of an authority's commitment to transparency and fair processes.³⁶ The World Bank does not allow unsolicited proposals to be used in projects that they fund, and advises that they should be used with extreme caution.³⁷

Due to concerns with unsolicited proposals, the rest of this document relates to Option 1: Competitive bidding.

Further reading

- Guidance on dealing with unsolicited proposals, and case study example (section 3.1.3)

2.3.3 DEVELOPMENT OF TRANSACTION MATERIALS

A series of transaction materials are required for conducting competitive bidding for tourism concessions. The documents that need to be developed are outlined below, and templates are provided in section 3.2. The materials, and the process, should be approved by the relevant agency responsible for signing the concession contract before the transaction process begins. The materials that should be developed include:

- Advertisements and requests for Expression of Interest (EoI).
- Prequalification requests and screening checklists.
- Request for Proposals (RfP) and screening checklist.
- Contract.
- Data room.

1. Advertisements and requests for Expression of Interest (EoI)

Adverts and marketing collateral should be highly attractive and enticing materials, which aim to capture investor interest and encourage them to contact the concessioning authority to indicate interest in the bid. They should include the bidding process and timeframes involved, and where additional information can be found. A dedicated concession promotion website can provide up-to-date investor information that can be used to reach many investors simultaneously at a low cost.

2. Prequalification requests and screening checklist

The Request for Prequalification is a legal document that should include:³⁸

- A timetable for the bidding process, including deadlines for the submission of proposals;
- Local laws and guidelines/standards regulating the bidding process;
- Prequalification criteria (normally technical and financial) for single companies and consortia;
- Rules for the setup and/or modification of prequalified investors following the closing of the prequalification process (e.g., allowing or restricting associations among potential investors or changes to consortia);
- Requests for references or verifiable information to ensure the accuracy of the information presented;³⁹ and

³⁶ Hodges, J. T. and Dellacha, G. (2007) op. cit.

³⁷ http://ppp.worldbank.org/public-private-partnership/legislation-regulation/laws/ppp-and-concession-laws#how_to_manage

³⁸ IFC (2012) IFC Advisory Services: Public private partnerships, CP3 Operational Manual

³⁹ IFC (2012) IFC Advisory Services: Public private partnerships, CP3 Operational Manual

- Model letters for submission of prequalification requests.

The information memorandum includes a detailed description of the proposed project in relation to legal, technical, financial, and process elements. It should also include information on the strengths and potential of the tourism concessions.⁴⁰

Developing criteria for pre-qualification and screening checklist can be controversial and may involve lengthy discussions with the authority and other stakeholders.⁴¹ Criteria should include evaluation on a “pass or fail” basis (i.e. a firm is prequalified only if it satisfies all the specified criteria).⁴²

3. Request for Proposals (RfP) and evaluation tools

The RfP contains detailed instructions, templates and procedures for the tender process, including:

- Applicable law and regulation underpinning the bidding process;
- Guidelines for submitting technical and financial proposals, with templates;
- Project documents (e.g. background on concession sites; stakeholders [including any community involvement], attractions, environmental and social studies, business plan, legal elements, [see 2.3.1]);
- Information on associated developments that will support the concession (e.g. commitments to enhance utilities and support infrastructure; easements for transboundary movement of people, equipment, or funds);
- Information regarding access to the data room, due diligence concession site visits, and approved EIA consultants;
- Draft concession contracts;
- The date, time, location, and manner of submission for offers in response to the tender;
- Bidding criteria;
- The evaluation committee and award process and any evaluation fees payable; and
- Administrative recourse.

The RfP specifies the amount of time available for questions and clarifications, and the time by which the full proposal must be submitted (e.g. 30-60 days). It may also include information on the number of other bidders.

Proposal evaluation tools need to be prepared that allow a systematic evaluation of proposals in line with pertinent issues including the:

- **Financial offer:** including evaluation of guaranteed and variable amounts in relation to the financial viability of the product (see **Box 8**);
- **Product offer:** including the type of tourism product to be developed and the business case for it;
- **Social and development impacts:** including local employment, equity, procurement and corporate social responsibility proposals; and
- **Environmental impacts:** including avoidance and mitigation of negative impacts of construction and operation, in addition to conservation management activities (if relevant).

⁴⁰ IFC (2012) IFC Advisory Services: Public private partnerships, CP3 Operational Manual

⁴¹ IFC (2012) IFC Advisory Services: Public private partnerships, CP3 Operational Manual

⁴² IFC (2012) IFC Advisory Services: Public private partnerships, CP3 Operational Manual

Box 8: Options for financial offers

In some SADC countries the concession fee is regulated (e.g. Mozambique), while in others the fees are proposed by concessionaires, and evaluated on a competitive basis (e.g. South Africa). Options for concession fees include⁴³:

- **Performance bonds:** Which are used to cover costs incurred by the authority to complete work that concessionaires fail to implement, or to mitigate for any unforeseen damage they created;
- **User fees:** These can be fixed or flat rate fees, or may relate to revenues of the concessionaire. Flat fees are easier to monitor, and are often used at the start of a contract. Combinations are also used, such as minimum fixed fees plus a percentage of turnover.

4. Concession agreement

A concession agreement should be drafted with very careful consideration. It describes the bundle of rights given to the concessionaire by the authority, in relation to specified obligations that the contracted parties will undertake. It is **the** central document as it achieves transfer and allocation of risks and ensures bankability along with socio-economic and environmental gains. The agreement protects the interests of both the authority, the private partner and identified local stakeholders. Key elements of a tourism concession agreement are outlined in the figure below.⁴⁴

Figure 1: Concession agreement outline

Concession period	Conditions precedent	Obligations and rights of concessionaire and authority (e.g. rights to use infrastructure, transboundary movement)	} Concession agreement
Project site	Indemnity	Design, construction and maintenance (including EIAs, contractors)	
Performance monitoring	Payment (i.e. terms, amounts)	Performance security and insurance	
Force Majeure	Authority step-in rights	Default and termination	
Change in ownership	Escrow arrangements	Dispute resolution	

The contract should allow certain monitoring elements to take place, including requirements for: ⁴⁵

- Regular management committee meetings between the concessionaire and the authority's contract manager;
- Physical access to the facility at all reasonable times;
- Access to the accounts and other records of the project;
- User (tourist/customers) satisfaction surveys to be conducted on a specified basis;
- Publication of regular reports on contractual performance; and
- Appointment of auditors and other agents for the purpose of independent reviews or audits.

5. Data room

Establish a data room where all of the detailed technical, legal and financial information that relates to the concession sites can be found. ⁴⁶ This room, and its contents, should be available for use by bidders as they prepare their proposals. This includes information from previous phases and steps, in relevant languages, including:

⁴³ Wyman, M., Barborak, J. R., Inamdar, N., and Stein, T. (2011) Best practices for tourism concessions in protected areas: A review of the field, *Forests*, 2, 913-928

⁴⁴ CRISIL (2013) Lesotho Tourism Public Private Partnership Contract Management Consulting, Contract management Manual and resources, Volume 2: Contract management training manual

⁴⁵ CRISIL Ltd (2013) Lesotho Tourism Public Private Partnership Contract Management Consulting, pp33

⁴⁶ IFC (2012) IFC Advisory Services: Public private partnerships, CP3 Operational Manual

- Stakeholder engagement reports.
- Environmental and social assessment reports.
- Risk assessment.
- Tourism and financial analysis, including the high-level business plan.
- Legal due diligence.

The data room may be a local and secure library of documents, CD-ROMs, or an online data room. The room needs to be secure, from an information security perspective.⁴⁷

Further reading

- Template EoIs, Prequalification requests, RfPs, concession agreements and screening checklists (section 3.2)
- Sample promotional materials (section 3.1.3)

2.3.4 EVALUATION COMMITTEE DEVELOPMENT

Development of the evaluation committee is an important element, because this group is responsible for determining who the pre-qualified bidders are, and also for reviewing full proposals to determine the winning bidder. Members of the committee need to be highly trustworthy, technically competent, objective and transparent.

For practical purposes, it is recommended that the committee be not more than 10 people, with appropriate skills and experience, and with one elected as its chair. In some instances, the evaluation committee may be outsourced to an independent consultancy company. Where the authority convenes the committee, it may include representatives of the following institutions be considered as members:

- Government departments of tourism, conservation, planning and finance from the TFCA countries;
- TFCA authority and specific protected area authorities;
- Non-governmental organisations (focusing on conservation and/or socio economic development in the specific TFCA, or with mandate to represent affected local stakeholders); and
- Technical and private sector experts to give specific advice (e.g. on legal, environmental, social, tourism and financial elements) to provide input, but who do not always vote.

The roles and responsibilities of the evaluation committee should include the following⁴⁸:

- Accept bids as complete and compliant;
- Review each bid thoroughly;
- Evaluate and score bids in line with the evaluation criteria;
- Select a preferred and a reserve bidder;
- Understand the committee's role, the bid evaluation system and the concession project;
- Accept comments, queries and complaints from interested and affected parties connected to concession development, review these and ensure timely responses.
- Guarantee effective communication channels to all relevant parties, including regularly reports to the contracting authority and affected stakeholders in relevant languages.
- Sign a confidentiality agreement and code of conduct.

⁴⁷ IFC (2012) IFC Advisory Services: Public private partnerships, CP3 Operational Manual

⁴⁸ Adapted from National Treasury (2005) op. cit.: pp22

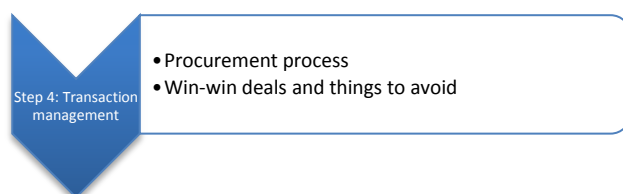
Should evaluation committee members find that they have a conflict of interest with one of the bidders, they should declare this and recuse themselves. Evaluations may be done independently, but it is valuable for the committee meetings to meet and discuss their evaluations.

Further reading

- Evaluation committee scoresheets and spreadsheets (section 3.1.3)

2.4 STEP 4: TRANSACTION MANAGEMENT

During Transaction management, the concession offerings are promoted in the market place to investors, and proposals are sought, reviewed and the best offering. This step is undertaken by the relevant authority, and concludes with a signed concession agreement between a concessionaire and the authority.



2.4.1 PROCUREMENT PROCESS

The procurement process in competitive bidding follows the following sequence, using the materials developed in the previous step⁴⁹:

- Advertise concession opportunity, and invite submissions for pre-qualification.
- Pre-qualify parties.
- Issue a request for proposals with a draft concession agreement.
- Receive bids.
- Compare bids with the design and feasibility work and each other.
- Select preferred bidder.
- Negotiate with preferred bidder.
- Finalise concession agreement and its management plan.

This sequence is outlined below (which may be adjusted in line with specific country procurement protocols):

1. Advertise concession opportunity, and invite submissions for pre-qualification: Place adverts in appropriate highly credible national and international newspapers, government gazettes (where applicable) and trade journals. Also send adverts directly to investors identified during previous steps, and distribute information at international and regional trade fairs. Keep a record of any companies that send EoIs in the concession opportunities.

2. Pre-qualify parties: Publicise the Request for Prequalification via the same media outlets as the advertisements. Also send the guidance also to the investor database, and companies that sent EoIs. Bids should be received, logged, and secured according to the procedures required in the bidding documents. On an appointed day and time, the bids should then be produced for inspection and evaluation by the evaluation committee, according to the specified procedure, and on a pass/fail basis.⁵⁰ Inform companies of the outcome of the pre-qualification process.

3. Issue a Request for Proposals (RfP) with a draft concession agreement: The RfP is made available to the bidders who passed the pre-qualification stage. Sometimes, a payment is requested from

⁴⁹ Adapted from National Treasury (2004) PPP Project cycle

⁵⁰ IFC (2007) op. cit. pp38

the bidders before they receive the RfP, which is used to help prepare bidding documents for them. Investors will wish to undertake their own due diligence, and the authority will need to accommodate:

- **Access to the data room:** To review detailed technical, legal, and financial information on the concession.
- **Due diligence site visits:** Opportunity should be provided for each pre-qualified company to visit the concession sites, and discuss the opportunity with fully briefed protected area staff, local authorities, and relevant stakeholders. It is useful to use an independent practitioner to facilitate site visits, meetings, and gather information on any investor concerns.
- **Bidder question and answer:** The types of questions from investors may related to background technical information or on the project design, and also on the transaction structure, the legal framework, and allocation of risks. This process may take place by phone, email, or a bidders conference. All bidders must be treated equally, and so all responses should be shared with all of the pre-qualified bidders.

4. Receive bids: Bids should be received, logged, and secured according to the procedures required in the bidding documents.

5. Compare bids with the design and feasibility studies and each other: On an appointed day and time, the bids should then be produced for inspection and evaluation according to the specified procedure by the evaluation committee. The investors should not be present during the technical evaluation but may attend the opening of the financial bid. There should be an official transcript or minutes of the proceedings of the evaluations.⁵¹

6. Select preferred bidder: The winner is selected on the basis of the weighted technical/financial score or the best financial offer if the technical evaluation was pass/fail as per the RfP rules.⁵² At the end of the bid evaluation process, the client sends a communication to all investors who bid. The winner is invited to finalize the contract and other project agreements.⁵³ The second placed bidder may be held in reserve for a grace period, in case agreement cannot be finalised with the preferred bidder.

7. Negotiate with preferred bidder: In some transactions, a contract is signed immediately after the selection and formal announcement of the winning bidder, in line with the draft contract that formed part of the bid documents (i.e. the winning proposal forms the basis of the contract). In others, a contract is signed only after the fulfillment of conditions precedent in the project documents, which may include obtaining financing for the project or local registration of the company⁵⁴. There may be some elements of negotiation on the winning proposal that also need to be addressed before the contract is finalized. During the negotiation of contracts, there may be issues disagreement and conflict, which can mean a tense and difficult stage of the process.⁵⁵ An experienced negotiator or transaction advisor can be useful to close the deal, and all involved should promote a climate of trust and cooperation.⁵⁶

8. Finalise concession agreement: A transaction is considered finalized after the contract is signed between the contracting authority and the winning bidder. An agreed management plan (see 2.5.2) should also form part of this concession agreement.⁵⁷

⁵¹ IFC (2007) op. cit. pp38

⁵² IFC (2007) op. cit. pp38

⁵³ IFC (2007) op. cit. pp38

⁵⁴ IFC (2007) op. cit. pp39

⁵⁵ IFC (2007) op. cit. pp38

⁵⁶ National Treasury, 2005: pp59 & example on p62

⁵⁷ IFC (2007) op. cit. pp39

Further reading

- Concessioning toolkit for South Africa and Mozambique; guidelines for Namibia; and case studies (section 3.1.4)

2.4.2 WIN-WIN DEALS AND THINGS TO AVOID

The best possible outcome in tourism concessioning is where both the authority and investor are satisfied that they have a fair deal which is value-for-money, and where potential problems are pre-empted as far as possible.

Characteristics of a good deal include:⁵⁸

- **Affordable and beneficial** to the parties of the agreement;
- **Value for money**, relating to the high-level business plan compiled during the Design and Feasibility step, and development impacts;
- **Acceptable transfer of commercial risk**, including relating to construction, insolvency, market demand, and operation;
- **Adequate technical capacity**. Proven operational ability, experience in sustainable tourism (including working with communities), marketing capability and existing client bases are more accurate of long-term sustainability of tourism concessions than financial forecasts included within bids; and
- **Sustainable tourism** is promoted, through products that are environmentally, socially and economically responsible.

Pitfalls to avoid include:⁵⁹

- **Thinking there will be no problems**: Most agreements face issues and problems through their tenure. It will be foolish to imagine there will be no problems.
- **Hasty, inadequate or non-existent due diligence**. Understanding the concession site's physical and environmental conditions, and community issues, is vital.
- **Not knowing what is wanted**. If the contracted parties do not know what they want, they may not like what they get. Also, if they change their minds and change the scope, the contract and price will change. Know clearly what is wanted.
- **Failing to negotiate**. It means that there is need to discuss, argue, deliberate, and ultimately agree upon all terms of the concession agreement. Investment brokers can facilitate negotiations, and can be particularly valuable to advise inexperienced concessionaires (e.g. community entities).
- **Failing to understand**. If something related to the concession is unclear, there is need to find out what it means. Demand explanations and achieve answers before signing an agreement.

Important elements of good concession agreements include:⁶⁰

- **Clear identify the parties to the agreement**: In the case of corporations or other business entities, it is important to verify the capacity of the contracting party to bind the corporation to the contract. In the case of community shareholders, ensure that there is a recognized legal entity established with the capacity to implement the conditions of the agreement.
- **Clear payment terms**: The agreement should explicitly state the exact payment terms with no room left for ambiguity.

⁵⁸ Adapted from National Treasury (2005) op. cit and Varghese, G. (2008) Public private partnerships in South African National Parks, in Spenceley, A. (ed) Responsible tourism: critical issues for conservation and development, Earthscan, pp77,

⁵⁹ Grove, A. S. (1996) Only the Paranoid survive, cited in CRISIL (2013) Lesotho Tourism Public Private Partnership Contract Management Consulting, Contract management Manual and resources, Volume 2: Contract management training manual

⁶⁰ Adapted from Grove, A. S. (1996) op. cit.

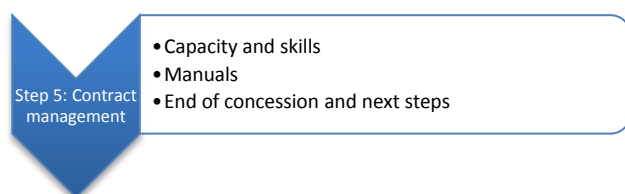
- **Legal approval of the agreement.** Always ensure a legal review of the agreement for legal vetting and validation. Model agreement and samples are useful but the final agreement should be thoroughly verified.
- **Boilerplate provisions.** These are clauses that protect the rights and privileges of the parties, like Notice Provisions, Assignment, Warranties, Indemnity, Consent to jurisdiction, Dispute Resolution, Modification of Agreement.
- **Provisions relating to defaults, opportunities to cure and termination.** These provisions are important ways to promote performance and avoid litigation. Timelines for completion of the project is imperative along with penalties for non-compliance.
- **Comprehensive:** Not only should the legal terms be covered, but also the specific requirements of contracted parties. If no stone is left unturned, interests are always being protected. The written contract always defines the duties and responsibilities. Reliance upon verbal advice is always a risk.
- **Contract language/s and translations.** If the contract exists in several language versions, only one version of the contract is a binding agreement. All other language versions, including official translations, are translations for convenience and can be used to ensure understanding, but they have no legal binding power
- **Definition of rights and obligations that are assignable:** You should include an assignment clause, so that the contracted parties can transfer the rights to third parties without seeking consent of the other party.
- **Clear communication mechanisms**
- **Establishing internal procedures and protocols to insure contractual compliance and avoid disputes:** The final and often most serious mistake are the filing of the agreement in a cabinet and then forgetting about it. The authority too often ignores the contract and only consults it when problems arise. By failing to establish procedures to monitor performance, the parties may breach their contracts or may waive the right to insist that the other party fulfill their obligations.
- **Transboundary issues are addressed:** Where a concession is transboundary, ensure that sufficient attention has been given to the roles, responsibilities, and conditions of all parties in the participating countries (e.g. licenses, international movement of tourists, staff, funds and equipment).

Further reading

- Guidance on engaging the private sector for PPPs (section 3.1.4)
- Case studies (section 3.1.6)

2.5 STEP 5: CONTRACT MANAGEMENT

During Contract management, the authority and concessionaire undertake to implement the activities and responsibilities of the concession agreement. This step outlines the operational phase of the concession, and also next steps following the end of the concession.



2.5.1 CAPACITY AND SKILLS

Once a concession agreement is signed, the authority needs sufficient capacity and skills to manage the concession in accordance with the agreement. The types of skills that are valuable include project and contract management, legal, analytical, financial, tourism management, business, market evaluation, environmental, socio-economic, infrastructure, problem solving, negotiation and communication.⁶¹ Note that the concessionaire (whether from the private sector or a community) may also require technical advice to participate effectively in the partnership.

A contract management team within the authority should be established which includes the following elements:⁶²

- Responsibility for contract management.
- Team members with the skills, knowledge and abilities to apply to concessions management, including project and concession management, legal, problem solving, analytical, financial, business, market evaluation, environmental, heritage, infrastructure and support skills.
- Adequate funding for its operation.
- Thorough understanding of the concession agreements, roles and responsibilities, and ownership and payment mechanisms.
- Establishment in advance of the concession agreement beginning.
- Ensure the partnership ethos is developed and maintained between team members, and with the concessionaires.
- Production of an Operational Contract Manual for use by the team in managing the contract (see 2.5.2).
- Continuity of concession agreement knowledge, with handover of information and relationships when team members leave or are recruited.

Where gaps in capacity are identified, identify initial and on-going team training requirements. Options to enhance the team can include:

- **Formal training programs:** With classroom-based tuition on concession and contract management (e.g. Lesotho's concessions training manual).
- **Exchange visits to meet with representatives of other concessioning authorities.** These can be used to discuss their processes, visit their concession sites, and discuss issues with stakeholders from investors to local communities.

⁶¹ Adapted from Varghese, G. (2014) Concession contract management and monitoring, Presentation made at the Workshop on Tourism Concessions in TFCAS in SADC, 2-3 September 2014, Garden Court OR Tambo, Johannesburg, accessible at <http://www.slideshare.net/AnnaSpenceley/contract-management-in-tourism-concessions-giju-varghese>

⁶² Adapted from CRISL Ltd (2013) Lesotho Tourism Public Private Partnership Contract Management Consulting, pp60

- **Mentorship by technical experts.** This can be done as and when technical experts in concessions are contracted to work on the process (in concessions, risk assessment, legal due diligence, tourism planning and development etc.) they can be requested to work in collaboration with a technical counterpart within the protected area authority to transfer skills and build capacity during the process.
- **Recruit short-term technical advisors.** This can be useful where there are short-timeframes for certain tasks, or where detailed technical knowledge is needed (e.g. legal advice).

Note that concession periods for infrastructure projects will likely be longer than the employment duration of individual (or entire) contract management team members, and also individuals working for the concession company. Retaining good relationships, and institutional memory of the concession process, the agreement, and monitoring and evaluation requirements are vital.

Further reading

- Concessioning training manual, for Lesotho, and presentation on skill requirements (Section 3.1.5)
- Template terms of reference (section 3.2)

2.5.2 MANUALS

The concession manual should guide the authority's team in their management of the concession agreement, for its entire duration. An outline for a TFCA concession manual is provided in the box below.

Box 9: Sample table of contents for a concession manual⁶³

- **Contract terms:** including obligations, rights, term, options for renewal, transfer of rights, risks, conflicts, intellectual property.
- **Project life cycle**
- **Communication channels**
- **Environmental and conservation requirements:** including integrated environmental management; environmental control officers; cultural and natural resources; biosphere manipulation; game control; monitoring and research; patrols; numbers of beds; water; fire management; traversing; problem animals; alien biota; firearms; staff issues; aircraft and vehicles; game drive procedures; off road driving; guided walks; codes of conduct; safety
- **Technical infrastructure management:** including construction and design; power; water extraction; communications infrastructure; waste management; roads and tracks
- **Environmental and technical monitoring mechanism:** relating to construction and operation
- **Social and empowerment requirements:** including shareholding, training and promotion, business opportunities for local communities
- **Transboundary mechanisms:** relating to transboundary movement of equipment, labour and tourists, and to the importation of construction and operational goods.
- **Financial and contractual requirements:** including concession fees, minimum rental, fixed fees, annual fees, monitoring, incentives, and revenue sharing (e.g. with communities, with TFCA countries)
- **Breaches:** including financial, empowerment, and environmental breaches, and processes for remedial action – contact, final letter, performance bond, formal notice and termination.
- **Fines and penalties:** including when they are applied, and their value.
- **Code of conduct:** including working relationships with concessionaires, permanent and temporary residents, and stakeholders.

Annexes:

- Policies and regulations relating to relevant TFCA's, protected areas, and non-protected land. Include Includes

⁶³ Adapted from SANParks (Undated) Concessions operations manual, Revision 1

Standard Operating Procedures, Service Level Agreements, and trip manifest templates.

- Templates for reporting
- Templates for applications
- Monitoring tools

An important element of concession management is monitoring the performance of the concessionaire against the standards and agreements made in the concession agreement. Steps involved in developing a performance monitoring system include:⁶⁴

- Baseline level of performance that meets the service delivery specifications, financial, environmental and social obligations (including stakeholder engagement);
- Performance monitoring system;
- Penalties associated with not meeting baseline requirements, in line with the contract; and
- Periodic review of performance monitoring, progress and corrective actions implemented.

Further reading

- Concession management manuals from SADC, monitoring and evaluation, and stakeholder engagement tools (section 3.1.5)

2.5.3 END OF CONCESSION AND NEXT STEPS

Preparation for the end of a concession term should begin 2-3 years before the actual end date. Establish what needs to take place to close the agreement, how continuity will be maintained with relevant stakeholders (particularly community members), and how and when a new concession will begin (to avoid inactive periods).

At the end of the agreed concession contract period, the type of concession model applied will dictate what takes place with regards to infrastructure ownership. For example:

- **Build (or Rehabilitate) Operate Transfer:** Infrastructure ownership would revert to the authority (or other party, as outlined in the contract). Inspections of the quality of the infrastructure would take place to ensure that they were of adequate quality.
- **Compensation for capital improvements:** The amount compensated depends on the initial value of the structure, adjusted according to the increase or decrease in the Consumer Price Index and less the amount of depreciation of the structure (i.e., the condition and serviceability in comparison with a new unit of the same kind).⁶⁵
- **Maintenance of the concession area:** The Authority should have maintained the concession area to the same or improved standard, relating to the conservation of the land, public facilities and utilities, and the wildlife experience.

Termination of a concession before the end of the contract period may also take place, for example if:⁶⁶

- Any party of the concession agreement commits a material breach of the concession agreement;
- The concessionaire commences voluntary liquidation proceedings;
- The concessionaire fails to report any material related party transactions, or if any material related party transaction is in breach of a term of the concession contract and which leads to material damage to the protected area authority;

⁶⁴ CRISL Ltd (2013) Lesotho Tourism Public Private Partnership Contract Management Consulting, pp31

⁶⁵ Wyman, M., Barborak, J. R., Inamdar, N., and Stein, T. (2011) Best practices for tourism concessions in protected areas: A review of the field, *Forests*, 2, 913-928, available at www.mdpi.com/journal/forests

⁶⁶ SANParks (undated) Concession operational manual

- The concessionaire commits a material breach of the concession contract;
- The concessionaire (or any of its officers or directors) is found guilty of a crime involving fraud or dishonesty and is sentenced to a jail sentence; or
- The books of account of the concessionaire are found, on more than one occasion to have been falsified or published in such a manner as to reflect a position that is materially different to the true financial position of the concessionaire.

Termination of the concession contract should only take place with the approval of the head of the contracting authority. To protect against this type of collapse of the concession agreement, concession projects should be structured so that any assets would revert to the relevant authority and is in a position to engage an alternative service provider.⁶⁷

Options for next steps can include:

- Initiate a new concession procurement process (i.e. start again with Step 1)
- Negotiate with the existing concessionaire to renew their contract (unless the contract was terminated).
- Negotiate with the reserve bidder to take over the concession.
- Authority takes over responsibility of the management of the assets.

Further
reading

- Concession management manuals (section 3.1.5)

⁶⁷ CRISL Ltd (2013) Lesotho Tourism Public Private Partnership Contract Management Consulting, pp41

3 FURTHER READING

This section provides additional materials to support the guidelines. It includes links to further reading on important issues and case study examples. Also provided are a number of templates for concession transaction materials that can be adapted for use in different SADC TFCAs. Furthermore, this section provides information on each SADC country's concession and investment framework. The section concludes with an outline of the guideline development process.

3.1 LINKS

The following weblinks include publicly available materials that can be accessed to provide more detailed information and background reading.

3.1.1 STEP 1: SCOPING

General information on concessions and PPP and tools

PPP in infrastructure Resource Centre, World Bank	http://ppp.worldbank.org
Global PPP network	http://pppnetwork.ning.com
Public Private Partnership Reference Guide	http://api.ning.com/files/Tumatxx-0jz3owSB05xZDkmWIE7GTVYA3cXwt4K4s3Uy0NtP PRgPWYO1lLrWaTUqybQeTXIeuSYUxbPFWlysuYNI5rL6b2Ms/PPPReferenceGuidev02Web.pdf or http://www.scribd.com/doc/236899332/PPP-Reference-Guide
Global investment promotion best practices: winning tourism investment	https://www.wbginvestmentclimate.org/advisory-services/investment-generation/investment-policy-and-promotion/gipb/winning-tourism-investment.cfm
Lesotho Tourism Public Private Partnership Contract Management Consulting: Contract management Manual and resources: Volume I and II – Contract management training manual	Volume 1: https://drive.google.com/file/d/0B84cIS4TjiiDRllzV29rbFFTUEk/edit?usp=sharing Volume 2: https://drive.google.com/file/d/0B84cIS4TjiiDUTf5aGZjcHRFc2M/edit?usp=sharing
Tourism concession guidelines, 2001, Malawi	https://drive.google.com/file/d/0B84cIS4TjiiDcjJZWjdXXzZoR1k/edit?usp=sharing
Public Private Partnership Manual: National Treasury PPP Practice notes issued in terms of the Public Finance Management Act (South Africa)	http://www.ppp.gov.za/Pages/Governance.aspx?RootFolder=%2fLegal%20Aspects%2fPPP%20Toolkit%20for%20Tourism&FolderCTID=&View=%7b33F91A9E%2d68FB%2d40CC%2dB511%2d45D91A7CC95B%7d
Namibia tourism and wildlife concessions policy	http://www.areasprotegidas.net/sites/default/files/documentos/Namibia%20Tourism%20%26%20Wildlife%20Concessions%20Policy%20(2007).pdf
Investment Procedures, Tanzania National Parks	https://drive.google.com/file/d/0B84cIS4TjiiDQzJYSWZsSERFOTA/edit?usp=sharing
Development/action/lease procedures, Tanzania National Parks	https://drive.google.com/file/d/0B84cIS4TjiiDb0czWThNS1IDMU0/edit?usp=sharing
Tourism concessions in protected areas in Mozambique: Manual for operators and concessionaires	http://anna.spenceley.co.uk/files/Files%20Sept%202012/SPEED-Reports-2012-005ConcessionsOperatorManual.pdf
Swaziland Public Private Partnership policy	https://drive.google.com/file/d/0B84cIS4TjiiDUzRtb2dvWEFEWxc/edit?usp=sharing
Public Private Partnership Manual (South Africa) – Inception and pre-feasibility	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/module%201.pdf
Investment in TFCAs: Setting the scene	http://www.slideshare.net/boundless-southern-africa/day-1-investment-in-tfc-assetting-the-scenedeborah-kahatanoboundless-southern-africa

General information on protected areas, transfrontier conservation areas, sustainable tourism and local communities

Guidelines for applying protected area categories	http://www.iucn.org/about/work/programmes/gpap_home/gpap_capacity2/gpap_bpg/?13959/Guidelines-for-applying-protected-area-management-categories
Guidelines for applying protected area categories to marine protected areas	http://www.iucn.org/about/work/programmes/gpap_home/gpap_capacity2/gpap_bpg/?11131/Guidelines-for-Appling-the-IUCN-Protected-Area-Management-Categories-to-Marine-Protected-Areas
Governance of protected areas	https://cmsdata.iucn.org/downloads/governance_web_1.pdf
Indigenous and local communities and protected areas: Towards equity and enhanced conservation	http://www.iucn.org/about/work/programmes/gpap_home/gpap_capacity2/gpap_bpg/?2166/Indigenous-and-Local-Communities-and-Protected-Areas-Towards-Equity-and-Enhanced-Conservation
Sacred Natural Sites – guidelines for protected area managers	http://www.iucn.org/about/work/programmes/gpap_home/gpap_capacity2/gpap_bpg/?10060/Sacred-Natural-Sites---Guidelines-for-Protected-Area-Managers
Sustainable tourism in protected areas: guidelines for planning and management (NB new edition due June 2015)	http://www.iucn.org/about/work/programmes/gpap_home/gpap_capacity2/gpap_bpg/?2167/Sustainable-tourism-in-protected-areas-guidelines-for-planning-and-management
Sustainable financing of protected areas	http://www.iucn.org/about/work/programmes/gpap_home/gpap_capacity2/gpap_bpg/?374/Sustainable-Financing-of-Protected-Areas
IFC A Guide to Biodiversity for the Private Sector: Tourism and Hospitality	http://www.ifc.org/wps/wcm/connect/8b97918048855795bcf4fe6a6515bb18/Tourism%2Band%2BHospitality.pdf?MOD=AJPERES&CACHEID=8b97918048855795bcf4fe6a6515bb18
Practical, profitable, protected: A starter guide to developing sustainable tourism in protected areas	www.eceat-projects.org/tourism-manual
Sustainable development and ecotourism: a compilation of good practices	http://sdt.unwto.org/en/content/ecotourism-and-protected-areas
Tourism and biodiversity – achieving common goals towards sustainability	http://www.e-unwto.org/content/j6584k/?p=4c0fc713d75748e18e6501fe8237f499&pi=9
Making tourism more sustainable – A guide for policy makers	http://www.e-unwto.org/content/w715w4/?p=0ef9688179a94fb08c63036081aa68ea&pi=1
Biodiversity: My hotel in action	http://cmsdata.iucn.org/downloads/iucn_hotel_guide_final.pdf
Ecolodges	http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/publications/publications_report_ecolodges_wci_1319576869279
Indicators of Sustainable Development for Tourism Destinations	http://www.e-unwto.org/content/x53g07/?p=c1a8815e60d44ea1b5e202bd799548f2&pi=0&hl=u
SADC TFCA Portal	http://www.tfcportal.org/user/login
Indicators of sustainable tourism development	http://www.un.org/esa/sustdev/natlinfo/indicators/guidelines.pdf
UNWTO indicators of sustainability for tourism destinations	http://sdt.unwto.org/en/content/indicators-sustainability-tourism-destinations
Global Sustainable Tourism Council (GSTC) – Criteria for destinations	http://www.gstcouncil.org/sustainable-tourism-gstc-criteria/criteria-for-destinations.html
Global Sustainable Tourism Council (GSTC) – Criteria for accommodation and tour operators	http://www.gstcouncil.org/sustainable-tourism-gstc-criteria.html
Global reporting initiative	https://www.globalreporting.org/Pages/default.aspx

3.1.2 STEP 2: DESIGN AND FEASIBILITY

General guidance on design and feasibility

Public Private Partnership Manual (South Africa) – Feasibility study and procurement (small cap tourism ppps)	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/module%202.pdf
Public Private Partnership Manual (South Africa) – Feasibility study and procurement (large cap tourism ppps)	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/module%203.pdf
PPP Value for money evaluation tool (Spreadsheet) (South Africa)	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/Module%203%20Template%205.xls

Policy and legislative framework

Legal frameworks for concessions: PPP in infrastructure Resource Centre, World Bank	http://ppp.worldbank.org/public-private-partnership/legislation-regulation/laws/ppp-and-concession-laws
Creating an enabling environment for investments: Tanzania National Parks	http://www.slideshare.net/boundless-southern-africa/day-1-creating-an-enabling-environment-for-investments-dr-ezekiel-dembetanzania-national-parks-ezekiel-dembe

Spatial planning

Site selection: approach to investment facilitation in Madagascar	http://tourisminvest.org/_manual/downloads/Approach_to_Investment_Facilitation.pdf
Park site selection report in Madagascar	http://tourisminvest.org/_manual/downloads/Park_Site_Selection_Report.pdf
Guidance note on land acquisition and voluntary resettlement	http://tourisminvest.org/_manual/downloads/WBG_Guidance_Note_Land_Acquisition.pdf
Tourism development plan for Quirimbas National Park: a general overview for investors	https://drive.google.com/file/d/0B84cIS4TjiiDR2ZQRHY1ZThOUdA/edit?usp=sharing

Tourism product types

Torra Conservancy & Damarland Camp, Namibia	http://www.anna.spenceley.co.uk/files/TorraConservancycasepresentation.pdf
Madikwe Community Lodges: Thakadu River Camp, Buffalo Ridge Safari Lodge (presentation)	http://www.asl-foundation.org/documents/Madikwecasepresentation.pdf
Ponto Chemucane: Maputo Special Reserve – putting the community at the centre? (presentation)	http://www.slideshare.net/AnnaSpenceley/chemucane-maputo-special-reserve-steve-collins
Tour de Tuli	http://www.slideshare.net/AnnaSpenceley/tour-de-tuli-conservation-and-tourism-susan-snyman The 2013 Tour de Tuli Supersport production: https://www.youtube.com/watch?v=BYA5t3NLiTU 2013 Tour de Tulu - what it is all about: https://www.youtube.com/watch?v=FoHWjD2kCI
Operating in the TFCAs: The voice of experience	http://www.slideshare.net/boundless-southern-africa/day-1-operating-in-tfc-asthe-voice-of-experiencetfdglynnoleary
Rocktail Bay case study	http://www.anna.spenceley.co.uk/files/Rocktailcasepresentation.pdf
Madikwe Game Reserve, South Africa – investment and employment	Chapter in http://books.google.co.za/books/about/Responsible_in

	Tourism.html?id=rrGTngEACAAJ&redir_esc=y
Madikwe case study presentation	http://www.asl-foundation.org/documents/Madikwecasepresentation.pdf
Makuleke case study presentation	http://www.asl-foundation.org/documents/Makulekecasepresentation.pdf
Torra conservancy case study	http://www.anna.spenceley.co.uk/files/TorraConservancycasepresentation.pdf
!Xaus Lodge, Kgalagadi TFCA	http://ccms.ukzn.ac.za/Files/articles/PhD_theses/finlay%20thesis_lauren%20dyll-myklebust_16%20march%202012.pdf http://ccms.ukzn.ac.za/files/articles/MA_dissertations/kate%20finlay%20dissertation.pdf

Concession models

PPP in infrastructure Resource Centre, World Bank	http://ppp.worldbank.org
Global PPP network	http://pppnetwork.ning.com
Public Private Partnership Reference Guide	http://api.ning.com/files/Iumatxx-0jz3owSB05xZDkmWIE7GTVYA3cXwt4K4s3Uy0NtPPRgPWYO1LrWaTUqybQeTXIeuSYUxbPFWlysuyNI5rL6b2Ms/PPPReferenceGuidev02Web.pdf or http://www.scribd.com/doc/236899332/PPP-Reference-Guide
Training modules on business and tourism enterprises for communities, Namibia	http://www.nacso.org.na/training_manuals.php
Best practices for tourism concessions in protected areas: A review of the field	http://www.mdpi.com/1999-4907/2/4/913

Development impact

Indigenous and local communities and protected areas: Towards equity and enhanced conservation	http://www.iucn.org/about/work/programmes/gpap_home/gpap_capacity2/gpap_bpg/?2166/Indigenous-and-Local-Communities-and-Protected-Areas-Towards-Equity-and-Enhanced-Conservation
Pro-Poor Tourism Strategies: Making Tourism Work For The Poor: A review of experience.	http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/3246.pdf
Doing the right thing approximately not the wrong thing precisely: Challenges of monitoring impacts of pro-poor tourism interventions in tourism value chains	http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/2348.pdf
Indigenous Ecotourism: sustainable development and management	http://books.google.co.za/books?id=noFNSuofi6IC&pg=PA278&lpg=PA278&dq=Indigenous+Ecotourism:+sustainable+development+and+management,&source=bl&ots=kht6fJfpKt&sig=xMr25SiZb5pu1wObQDHTWmkmA&hl=en&sa=X&ei=IT1GU-GQBMTRhAffsYHoAQ&redir_esc=y#v=onepage&q=Indigenous%20Ecotourism%3A%20sustainable%20development%20and%20management%2C&f=false
Indigenous and local communities and protected areas: Towards equity and enhanced conservation	http://www.iucn.org/about/work/programmes/gpap_home/gpap_capacity2/gpap_bpg/?2166/Indigenous-and-Local-Communities-and-Protected-Areas-Towards-Equity-and-Enhanced-Conservation
Participation Works! 21 Techniques of Community Participation for the 21st Century	www.neweconomics.org
Development Without Conflict: The Business Case for Community Consent	www.wri.org
Making success work for the poor: Package tourism in	http://www.odi.org.uk/sites/odi.org.uk/files/odi-

Northern Tanzania	assets/publications-opinion-files/4203.pdf
Practical strategies for pro-poor tourism, Wilderness Safaris South Africa: Rocktail Bay and Ndumu Lodge - Practical examples of the involvement of the communities in a public-private-partnership tourism concession	http://www.anna.spenceley.co.uk/files/WSReport.pdf
Series of “How to . . . ?” • Brief 1: Boosting procurement from local businesses • Brief 2: Stimulating local cultural and heritage products • Brief 3: Building local partnerships • Brief 4: Setting corporate priorities and managing internal change	www.odi.org.uk
Linking communities, tourism and conservation : A Tourism assessment process,	web.conservation.org/xp/CIWEB/downloads/TAPManual.pdf
Tips for joint venture partnerships in tourism: A handbook for building local partnerships between private operators and conservancies in Namibia	http://www.nacso.org.na/dwnlds/refs/WWF-MET%20JV%20Booklet%20low%20res%202011.pdf
Guidelines for the management of conservancies and standard operating procedures, Namibia	https://drive.google.com/file/d/0B84cIS4TjiddUEpwa1o2NHdCWTA/edit?usp=sharing
Training manuals for conservancies in Namibia	http://www.nacso.org.na/training_manuals.php
Community Enterprise Fund Manual	https://drive.google.com/file/d/0B84cIS4Tjidd2JpeVk4UGRtelk/edit?usp=sharing

Risk

IFC Managing environmental and social risks	http://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/IFC+Sustainability/Risk+Management/
Guidelines for environmental risk assessment and management: Green Leaves III	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/69450/pb13670-green-leaves-iii-1111071.pdf
Environmental assessment matrix	http://www.ceaa.gc.ca/050/documents/23725/23725E.pdf

Stakeholder engagement

Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets	http://www.ifc.org/wps/wcm/connect/938f1a0048855805beacfe6a6515bb18/IFC_StakeholderEngagement.pdf?MOD=AJPERES
Stakeholder communication and relationship management: Training module	http://www.nacso.org.na/dwnlds/training_manuals/1.05%20Social%20and%20Gender%20Awareness.pdf
The role of NGOs in facilitating tourism concessions and providing support to communities entering joint-venture agreements	http://www.slideshare.net/boundless-southern-africa/day-1-the-role-of-ng-os-in-facilitating-tourism-concessionsafrican-safari-foundationsteve-collins

Viability and market assessment

Template investor ‘longlist’ communication table	http://tourisminvest.org/manual/downloads/Template_for_annotated_investor_long-list.xls
Linking communities, tourism & conservation: A tourism assessment process - including tools for market demand analysis, supply and competitiveness, human capacity, biodiversity footprint, cost-benefit analysis and others.	http://www.gwutourism.org/images_comm/TAPmanual_2meg.pdf
IFC Hotel investment brochure: Developing tourism and business infrastructure	http://tourisminvest.org/manual/downloads/IFC-Hotel-Investment-Brochure-2009.pdf
Small business advisory tools and resources	https://www.score.org/#main-content-area
What makes a project bankable?	http://www.slideshare.net/boundless-southern-africa/day-1-what-makes-a-project-bankable-idcmartin-potgieter
New tourism trends in TFCAs and protected areas	http://www.slideshare.net/boundless-southern-

	africa/day-1-tourism-trends-in-tfc-as-and-protected-areasmichael-wrightsvest
CPFP Funded Feasibility studies and green technology opportunities	http://www.slideshare.net/boundless-southern-africa/day-1-cpfp-funded-feasibility-studies-and-green-technology-opportunities-neil-crafford
Community business plan example (Tanzania)	https://drive.google.com/file/d/0B84cIS4TjidTDY2ZTgtSnJFVzQ/edit?usp=sharing

Concession opportunities	
Data	Possible sources
<p>Demand data:</p> <ul style="list-style-type: none"> Foreign tourist arrivals, domestic trips, source markets, yearly and monthly totals, trends, global ranking Arrivals by main tourism centers in country Profile of tourists based on market segmentation research (such as type, age range, duration of stay, typical spend per night, repeat vs. one-off, key interests) Domestic tourism trends and data 	<p>National ministry in charge of tourism Tourism Board Statistics agency Tourism investors/industry associations Airport administration Relevant subnational authorities Interviews and survey questionnaires to existing tourism operators World Tourism Organization (UNWTO) Statistics and Tourism Satellite Accounts International Congress and Convention Association (ICCA) for the Meetings, Incentives, Conferencing, Exhibitions (MICE) subsector</p>
<p>Supply data</p> <ul style="list-style-type: none"> Accommodation offering (number of establishments, rooms and beds nationally, by region, by main tourism centers, by hotel segment and star rating, and so on) International hotel chains, reputable brands; recent investments and mergers and acquisitions involving foreign capital Profiles of select existing (competing) projects (number of rooms, facilities, main clientele, occupancy rates, Average Daily Rate [ADR], Revenue per Available Room [RevPAR], Gross Operating Profit per Available Room [GOPPAR], status and projects, consumer/industry feedback) Planned new tourism projects (under construction or planned) 	<p>National ministry in charge of tourism Tourism Board Statistics agency Tourism investors/industry associations Interviews and survey questionnaires to existing tourism operators World Tourism Organization (UNWTO) Statistics and Tourism Satellite Accounts TripAdvisor and similar sites IPI pipeline</p>
<p>Individual site data:</p> <ul style="list-style-type: none"> Best areas to find sites with description and rationale, relevant contacts including real estate brokers who may help identify property Individual site profiles, location, highlights, photos, assets inventories, amenities, relevant acquisition procedures, price indication or price range, and any applicable fiscal and financing incentives Relevant local demand drivers, infrastructures, major development plans, and so forth Site/areas comparisons with relevant comparable figures (such as local/subnational macro-data where available, number of visitors, number of establishments, rooms and beds, occupancy, RevPAR) 	<p>National ministry in charge of tourism Tourism Board Tourism investors/industry associations National ministry in charge of land or other relevant land-owning ministries, possibly the natural parks authority Subnational government authorities in key tourism centers Real estate brokers</p>

Investment climate data	
Data	Possible sources

<p>Tourism strategies</p> <ul style="list-style-type: none"> • Master plans • Materials from key sector institutions such as the Ministry of Tourism, Tourism Board, and National Tourist Office 	<p>National ministry in charge of tourism Tourism Board</p>
<p>General and sector-specific government incentives relevant to the tourism subsector and to the specific opportunities being promoted</p>	<p>National ministry in charge of tourism, Tourism Board</p>
<p>Relevant taxes Levies Customs duties (costs and procedures)</p>	<p>Relevant ministries and government agencies World Bank Doing Business dataset</p>
<p>Database of construction suppliers with information on costs and quality including per m2 costs for a range of construction types Construction permits and procedures</p>	<p>Questionnaires and interviews with existing tourism project operators and construction suppliers Database of construction suppliers, with notes on track record and relevant costs data National ministry in charge of tourism Tourism Board, and other relevant ministries World Bank Doing Business dataset</p>
<p>Relevant license costs and procedures such as:</p> <ul style="list-style-type: none"> • Environmental impact license • Investment license • Operating license • Hotel/restaurant/bar/liquor licenses 	<p>National ministry in charge of tourism Tourism Board Relevant ministries and government agencies</p>
<p>Utilities and communications data:</p> <ul style="list-style-type: none"> • Availability • Providers • Costs • Procedures 	<p>Relevant ministries and government agencies National utility companies World Bank Doing Business dataset</p>
<p>Labour data:</p> <ul style="list-style-type: none"> • Education levels • Literacy rates • Languages • Employment in tourism segments, wages for various functions and skill levels • Available training programs • Labour regulations; expatriate labour; regulations; affirmative action processes • Reports on available skills and gaps 	<p>Relevant ministries and government agencies World Tourism Organization (UNWTO) Statistics and Tourism Satellite Accounts World Travel and Tourism Council database World Bank data World Bank Doing Business dataset</p>
<p>Support institutions relevant to the tourism sector that can serve as alternative sources of information (list, description, contact):</p> <ul style="list-style-type: none"> • National ministry in charge of tourism • Tourism Board and other Destination Management Organisations • Tourism investors/industry associations • legal offices and consultancies • Financial institutions 	<p>National ministry in charge of tourism Tourism Board Tourism investors/industry associations Chamber of Commerce Relevant sector associations</p>
<p>Inventory, description, and an electronic library of relevant laws as well as regulations</p>	<p>National ministry in charge of tourism Tourism Board Relevant ministries and government agencies World Bank Doing Business dataset</p>

3.1.3 STEP 3: PROCUREMENT STRATEGY

Investment strategy

Recommended data to include in investment promotion database	http://tourisminvest.org/_manual/downloads/Data-included-in-investment-promotion-database.pdf
Investor outreach and communication strategy (Mozambique concessions)	http://tourisminvest.org/_manual/downloads/Investor_Outreach_and_Communications_Strategy.pdf
The process of packaging projects	http://www.slideshare.net/boundless-southern-africa/day-1-the-process-of-packaging-projects-michael-wrightsivest
Maputo Special Reserve Investment procurement strategy	http://tourisminvest.org/_manual/downloads/MER-Investment-Strategy.pdf
Tanzania's investment outreach program – case study	http://tourisminvest.org/_manual/downloads/Tanzania_Investor-Outreach-Program.pdf

Transaction strategy

How to manage unsolicited proposals - PPP in infrastructure Resource Centre, World Bank	http://ppp.worldbank.org/public-private-partnership/legislation-regulation/laws/ppp-and-concession-laws#how_to_manage
Tourism concessions in protected areas in Mozambique: Manual for operators and concessionaires	http://anna.spenceley.co.uk/files/Files%20Sept%202012/SPEED-Reports-2012-005ConcessionsOperatorManual.pdf

Sample promotional materials for concessions

A4 Advertisement (Mozambique)	http://tourisminvest.org/_manual/downloads/ifc-advert-final.pdf
16-page marketing brochure (Mozambique)	http://tourisminvest.org/_manual/downloads/Anchor_Sites_Brochure.pdf
2 x promotional posters (Mozambique)	http://tourisminvest.org/_manual/downloads/final-posters.pdf
Press release at launch (Mozambique)	http://tourisminvest.org/_manual/downloads/Press_release_international-launch.pdf
Investor criteria brief (Mozambique)	http://tourisminvest.org/_manual/downloads/Investor-criteria-brief.pdf
Tourism and Wildlife Concessions in Namibia's Protected Areas	http://www.met.gov.na/Documents/Concession%20Policy%20flyer.pdf
Investor pack: Quirimbas National Park, Mozambique	https://drive.google.com/file/d/0B84cIS4TjiiDbGdFeEZKdXZoVGM/edit?usp=sharing

Evaluation committee

Bid evaluation scoresheet (South Africa)	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/Module%203%20template%202013.doc
Bid evaluation spreadsheet (South Africa)	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/Module%203%20Template%202014.xls

3.1.4 STEP 4: TRANSACTION MANAGEMENT

Procurement process

Public Private Partnership Manual (South Africa) – Feasibility study and procurement (small cap tourism ppps)	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/module%202.pdf
Public Private Partnership Manual (South Africa) – Feasibility study and procurement (large cap tourism ppps)	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/module%203.pdf
Guidelines for concession applicants (Namibia)	http://www.met.gov.na/Documents/Guidelines%20for%20Concession%20Applicants.pdf
Tourism concessions in protected areas in Mozambique: Manual for operators and concessionaires	http://anna.spenceley.co.uk/files/Files%20Sept%202012/SPEED-Reports-2012-005ConcessionsOperatorManual.pdf
Facilitating tourism investment in Maputo Special Reserve, Mozambique (presentation)	http://www.slideshare.net/AnnaSpenceley/facilitating-investment-in-maputo-special-reserve-bartolomeu-soto
Facilitating tourism investment in the Maputo Elephant Reserve	https://www.wbginvestmentclimate.org/uploads/ME_R_CaseStudy.pdf

Win-win deals

Negotiating a public private partnership: institutional arrangements to restore the Gorongosa National Park (presentation)	http://www.slideshare.net/AnnaSpenceley/gorongosa-concession-bartolomeu-soto
How to engage with the private sector in PPPs in emerging markets	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/187569/engage_with_private_sector.pdf

Contract content

Lesotho Tourism Public Private Partnership Contract Management Consulting: Contract management Manual and resources: Volume I and II – Contract management training manual	Volume 1: https://drive.google.com/file/d/0B84cIS4TjiiDRllzV29rbFFTUEk/edit?usp=sharing
	Volume 2: https://drive.google.com/file/d/0B84cIS4TjiiDUTF5aGZjcHRFc2M/edit?usp=sharing

3.1.5 STEP 5: CONTRACT MANAGEMENT

Capacity and skills

Lesotho Tourism Public Private Partnership Contract Management Consulting: Contract management Manual and resources: Volume I and II – Contract management training manual	Volume 1: https://drive.google.com/file/d/0B84cIS4TjiiDRllzV29rbFFTUEk/edit?usp=sharing
	Volume 2: https://drive.google.com/file/d/0B84cIS4TjiiDUTF5aGZjcHRFc2M/edit?usp=sharing
Training and capacity building for concessions, Tourism Concession Opportunities in conservation areas and maximising rural development (presentation)	http://www.slideshare.net/AnnaSpenceley/training-for-concessions-review-anna-spenceley-jim-barborak
What government agencies need to know (presentation)	http://www.slideshare.net/AnnaSpenceley/training-for-government-in-tourism-concessions-fransisco-pariella
What the private sector needs to know (presentation)	http://www.slideshare.net/AnnaSpenceley/ndzou-camp-chimanamani-training-andrew-kingman
What communities and civil society need to know (presentation)	http://www.slideshare.net/AnnaSpenceley/training-for-communities-tourism-concessions-ema-batey
Concession contract management and monitoring (South Africa)	http://www.slideshare.net/AnnaSpenceley/contract-management-in-tourism-concessions-gju-varghese

Manuals

Public Private Partnership Manual: (South Africa) – Managing the tourism PPP Agreement	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/module%204.pdf
Tips on relationship management	http://tourisminvest.org/manual/downloads/Tips_on_Relationship_Management.pdf
Stakeholder engagement matrix	http://tourisminvest.org/manual/downloads/Stakeholder_Engagement_Process_Toolkit.pdf
Guidelines for concession applicants (Namibia)	http://www.met.gov.na/Documents/Guidelines%20for%20Concession%20Applicants.pdf

Monitoring and evaluation

Public Private Partnership Manual: National Treasury PPP Practice notes issued in terms of the Public Finance Management Act (South Africa)	http://www.ppp.gov.za/Pages/Governance.aspx?RootFolder=%2fLegal%20Aspects%2fPPP%20Toolkit%20for%20Tourism&FolderCTID=&View=%7b33F91A9E%2d68FB%2d40CC%2dB511%2d45D91A7CC95B%7d
Concession contract management and monitoring (South Africa)	http://www.slideshare.net/AnnaSpenceley/contract-management-in-tourism-concessions-giju-varghese

End of concession and next steps

Public Private Partnership Manual: (South Africa) – Managing the tourism PPP Agreement	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/module%204.pdf
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3.1.6 CASE STUDIES**Case studies from within SADC**

Note: Also see Section 3.1.2 under Tourism Product Types for product case studies.

Mozambique

Facilitating tourism investment in the Maputo Elephant Reserve	https://www.wbginvestmentclimate.org/uploads/MER_CaseStudy.pdf
Tourism concessions in protected areas in Mozambique: Analysis of tourism concession models in protected areas in Mozambique	http://anna.spenceley.co.uk/files/Files%20Sept%202012/SPEED-Reports-2012-004ConcessionsReport.pdf
Tourism concessions management in Niassa National Reserve: The combined roles of governance, monitoring and research (2000-2012) (presentation)	http://www.slideshare.net/AnnaSpenceley/niassa-contract-management-anabela-rodrigues-vernon-booth
Concessions processes in Niassa Reserve, Mozambique (A hunting area) (presentation)	http://www.slideshare.net/AnnaSpenceley/niassa-anabela-rodrigues-vernon-booth

South Africa

South African National Parks: a business overview	https://drive.google.com/file/d/0B84cIS4TjidaUtZTnVjOGFPYmc/edit?usp=sharing
Commercial tourism concessions: a means of generating income for South African National Park	http://conservationfinance.org/guide/WPC/WPC_documents/Apps_06_Fearnhead_v1.pdf
Commercial ventures in South African protected areas	https://drive.google.com/file/d/0B84cIS4TjidaZ0FMM3B0ejh1d2c/edit?usp=sharing
Concessions processes in South African National Parks	http://www.slideshare.net/AnnaSpenceley/south-african-national-parks-concessions-processes-giju-varghese
Concession contract management and monitoring: SANParks (presentation)	http://www.slideshare.net/AnnaSpenceley/san-parks-contract-management-giju-varghese
Public private partnerships – SANParks – the Rationale, benefits (from a constituency building perspective)	http://www.asl-foundation.org/documents/SanParkspresentation-

(presentation)	ASLFordFoundationMaY2008.pdf
Public private partnerships in South African national Parks: Rationale, benefits and lessons learned, Chapter in Responsible Tourism: Critical issues for conservation and development	Chapter in http://books.google.co.za/books/about/Responsible_Tourism.html?id=rrGTngEACAAJ&redir_esc=y

Namibia

Concessions in Namibia's protected areas (presentation)	http://www.asl-foundation.org/documents/ConcessionsinNamibiasProtectedAreas.pdf
Co-management and concessions in Namibia: Mechanisms for promoting community involvement in tourism (presentation)	http://www.asl-foundation.org/documents/Co-managementandConcessionsinNamibia.pdf
Getting the lion's share from tourism: private sector-community partnerships in Namibia	http://books.google.co.za/books?id=p3nqWyW'sWosC&pg=PA1&lpg=PA1&dq=getting+the+lion%27s+share+from+tourism&source=bl&ots=YgDKUHDjHW&sig=ojKeWLGLtvb0PXwnR-CUuLTjcio&hl=en&sa=X&ei=eJUiVOK6GLcJsQSh7ILYBg&redir_esc=y#v=onepage&q=getting%20the%20lion's%20share%20from%20tourism&f=false
Namibia concession model	http://www.slideshare.net/boundless-southern-africa/day-1-namibia-concession-model-vitalismushongoministry-of-environment-and-tourism

Zimbabwe

CAMPFIRE	http://campfirezimbabwe.org/CBNRM/index.php?option=com_content&view=article&id=46&Itemid=55
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Case studies and examples from outside SADC

Tourism and protected areas: partnerships in principle and practice (Australia)	http://www.sustainabletourisonline.com/12/natural-protected-area-assets/tourism-and-protected-areas-partnerships-in-principle-and-practice
Information on concessions, how to apply, management of the concession, from New Zealand	http://www.doc.govt.nz/about-doc/concessions-and-permits/concessions/
Sustainable financing of protected areas in Cambodia: Phnom Aural and Phnom Samkos wildlife sanctuaries	http://pubs.iied.org/15512IIED.html
A tale of two parks, United States	http://perc.org/articles/tale-two-parks
Socio-economic effects of concession-based tourism in New Zealand's national parks	http://www.doc.govt.nz/documents/science-and-technical/sfc309entire.pdf

3.2 TEMPLATES

Note: All of these templates are generic, and will need to be reviewed and adapted for specific concession processes in transfrontier conservation areas. Adapted versions should be checked with a legal advisor and relevant authorities prior to use.

Template procurement documents

Application letter – registering a tourism PPP project (South Africa)	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/Module%201%20template%202.doc
Expression of Interest:	
- Acknowledgement letter: Unsolicited tourism PPP proposal (South Africa)	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/gstart%20.%20template%201.doc
- Outline business case: Unsolicited tourism PPP proposal (South Africa)	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/gstart%20.%20template%202.doc
- Generic (restaurant)	https://drive.google.com/file/d/0B84cIS4Tjüid01uN1VsZWFpdGs/edit?usp=sharing
- Generic (tourism) (Mozambique)	https://drive.google.com/file/d/0B84cIS4TjüidWDVmcFhnaFB5Nkk/edit?usp=sharing
- Request for EoI, tourism PPP (South Africa)	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/Module%203%20template%203.docDoc
- Advertisement for EoI, tourism PPP (South Africa)	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/Module%203%20template%204.doc
- Request for qualifications, tourism PPP (South Africa)	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/Module%203%20template%206.doc
- Advertisement for request for pre-qualification, tourism PPP (South Africa)	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/Module%203%20template%207.doc
- Declaration of interest form (South Africa)	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/Module%203%20template%2012.doc
Request for proposals:	
- Generic (Mozambique)	https://drive.google.com/file/d/0B84cIS4TjüidVmNmVII0SW5DMIE/edit?usp=sharing
- Request for proposals, tourism PPP (South Africa)	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/Module%203%20template%208.doc
- Bid evaluation scoresheet (South Africa)	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/Module%203%20template%2013.doc
- Bid evaluation spreadsheet (South Africa)	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/Module%203%20Template%2014.xls
Contracts:	
- Public Private Partnership / Joint venture (Mozambique)	https://drive.google.com/file/d/0B84cIS4TjüidNlIWQUILYVpSTlk/edit?usp=sharing
- Operational lease (Mozambique)	https://drive.google.com/file/d/0B84cIS4TjüidcG1FWWdTAXIWd28/edit?usp=sharing
- Community concession (Mozambique)	https://drive.google.com/file/d/0B84cIS4TjüidVERJX2lZR0pUT2M/edit?usp=sharing
- Draft large cap tourism PPP agreement	http://www.ppp.gov.za/Legal%20Aspects/PPP

	P%20Toolkit%20for%20Tourism/Module%203%20template%2010.doc
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Terms of reference for transaction advisors and specialist

Note: All of these templates are generic, and will need to be reviewed and adapted for specific concession processes. Adapted versions should be checked with relevant authorities prior to use.

Local concession program coordinator	https://drive.google.com/file/d/0B84cIS4TjiddTIDWFpvNlLclE/edit?usp=sharing
Investment Promotion and Investment Climate Analyst	https://drive.google.com/file/d/0B84cIS4TjideE9sZ3ZIaU54cDA/edit?usp=sharing
Institutional specialist	https://drive.google.com/file/d/0B84cIS4TjiiM0jmanoxZXiTYTQ/edit?usp=sharing
Institutional champion: operational and financial analysis	https://drive.google.com/file/d/0B84cIS4TjiiV0RYeIZqNwPDR3c/edit?usp=sharing
Legal Advisor	https://drive.google.com/file/d/0B84cIS4TjiiUTVSWWIKcEIRRFEdit?usp=sharing
Tourism investment specialist	https://drive.google.com/file/d/0B84cIS4TjiiSUFKa0tPekwXenc/edit?usp=sharing
Transaction advisor	https://drive.google.com/file/d/0B84cIS4TjiiYV9FV0JNdHBjY2c/edit?usp=sharing
Concession specialist	https://drive.google.com/file/d/0B84cIS4TjiiendVMVhXVVAxWEk/edit?usp=sharing
Social and environmental site assessment	https://drive.google.com/file/d/0B84cIS4TjiiWkZZLWRKc0s0c2s/edit?usp=sharing
Due diligence legal study	https://drive.google.com/file/d/0B84cIS4TjiiSFg0QkhzQTVEUzg/edit?usp=sharing
Design of market database	https://drive.google.com/file/d/0B84cIS4TjiiXcd6MTIPRkJHSFk/edit?usp=sharing
Tender support coordinator	https://drive.google.com/file/d/0B84cIS4TjiiNXNEaElsZVZwaTg/edit?usp=sharing
Investor aftercare unit	https://drive.google.com/file/d/0B84cIS4TjiiEXAwUjZTaW9sMU0/edit?usp=sharing
Duties and responsibilities of a concessions project officer	http://www.ppp.gov.za/Legal%20Aspects/PPP%20Toolkit%20for%20Tourism/Module%202%20template%201.doc

Template and example transboundary tourism operational tools

Standard Operating Procedure:	
- Trip manifests for transboundary events	https://drive.google.com/file/d/0B84cIS4TjiiamVkyM5CdlBhWUE/edit?usp=sharing
- Access for TFCAs: Example Kgalagadi TP	https://drive.google.com/file/d/0B84cIS4TjiiWXhxZ1U5QVdZNTQ/edit?usp=sharing
- Access for TFCAs: Template	https://drive.google.com/file/d/0B84cIS4TjiiEi3dVJSTEtGdzQ/edit?usp=sharing
- Official border crossing for TFCAs: Example RSA Namibia	https://drive.google.com/file/d/0B84cIS4TjiiVDd4S0K eExveGM/edit?usp=sharing
- Official border crossing for TFCAs: Template	https://drive.google.com/file/d/0B84cIS4TjiiWlgl1U3drY2hZaEk/edit?usp=sharing

3.3 SADC COUNTRY INFORMATION

The status of TFCAs in SADC is summarised in the table below, indicating which countries are involved and the type of agreement in place. A map of the TFCA locations is also shown on the front cover of the guidelines.

Table 5: Status of SADC TFCAs⁶⁸

Transfrontier Conservation Area	Countries involved	Type of agreement
/Ai /Ais-Richtersveld Transfrontier Park	South Africa and Namibia	MoU signed in 2001
Kgalagadi Transfrontier Park	Botswana and South Africa	Bi-lateral agreement signed in 1999
Kavango Zambezi (KAZA) Transfrontier Conservation Area	Angola, Botswana, Namibia, Zambia and Zimbabwe	Multi-national treaty signed in 2011
Great Limpopo Transfrontier Park	Mozambique, South Africa and Zimbabwe	Tri-lateral agreement signed in 2000 and Joint Operational Plan in place
Lubombo Transfrontier Conservation and Resource Area	Mozambique, Swaziland and South Africa	Tri-lateral General Protocol signed in 2000
Maloti-Drakensberg Transfrontier Conservation and Development Area	Lesotho and South Africa	Bi-lateral MoU signed in 2000
Iona-Skeleton Coast TFCA	Angola and Namibia	MoU signed in 2003
Greater Mapungubwe Transfrontier Conservation Area	Botswana, South Africa and Zimbabwe	MoU signed in 2006
Chimanimani TFCA	Mozambique and Zimbabwe	No data available but Mozambique is in the process of pursuing the establishment, although there are significant threats related to artisanal gold mining.
Malawi-Zambia Transfrontier Conservation Area	Malawi and Zaambia	MoU in place and project management teams established subsequent to bi-lateral meetings in 2003
Maiombe Forest Transfrontier Conservation Area	Angola, Congo and Democratic Republic of Congo	In process
Liuwa Plains – Mussuma Transfrontier Conservation Area	Angola and Zambia	In process
Lower Zambezi - Mana Pools Transfrontier Conservation Area	Zambia and Zimbabwe	In process
ZIMOZA Transboundary Natural Resource Management Project	Mozambique, Zambia and Zimbabwe	In concept stage
Kagera Transfrontier Conservation Area	Ruwanda, Tanzania and Uganda	In concept stage
Selous and Niassa Wildlife Protection Corridor	Mozambique and Tanzania	MoU on cross-border cooperation signed in 2007
Mnazi Bay-Quirimbas Transfrontier Conservation Marine Area	Mozambique and Tanzania	In concept stage
Western Indian Ocean Transfrontier Conservation Area	Comoros, France, Madagascar, Mauritius, Mozambique, Seychelles and Tanzania	In concept stage

This section contains information the framework conditions for tourism concessions within SADC countries, and also the main business regulations and investment incentives.⁶⁹ Note that not all of the countries have consistent coverage of information, and gaps are indicated.

⁶⁸ Zunkel, K. (2014) Southern African Development Community Transfrontier Conservation Guidelines: The establishment and development of TFCA initiatives between SADC member states, Report to SADC

⁶⁹ RETOSA (2014) Southern Africa Tourism Investment Handbook', accessible from http://www.cde.int/sites/default/files/documents/tourism_investment_handbook.pdf

3.3.1 ANGOLA

Concession information

Concession models used	-
Relevant policies, strategies and legislation	The Angola Parks and Recreation 5-Year Park and Recreation Master Plan (2013-2017) does not make reference to concessions. There is also a Tourism Master Plan 2011-2020. There is a National Policy on Forestry, Wildlife and Protected Areas (Contour 2012:19). Act on Ownership, Concession and use of Agricultural Land No. 21 C 92. Tourism Hospitality Act, which was brought into effect in 2007. There is also a Tourism Policy, but this policy is currently under review. (Contour 2012:66)
Institutional arrangements for concessioning	-
Examples of concession processes	Tender processes are not used. Unsolicited proposals are received, and then negotiations take place. negotiation The concessionaire at Luiana Game Reserve in Jamba is inviting investment for the development of 16 two-bed rooms (Deloitte 2008:19) and four hunting concessions have been awarded to a local operator (ibid). The Luiana Partial Reserve and the Luiana Protected Public Reserve were granted as concessions to an operator for a period of 25 years from the year 2005. He has the responsibility of conserving natural resources and developing ecotourism. However, safari hunting has been banned since 2005 (Contour 2012:21).
Tourism investment guidelines in PAs and outside PAs	-
Concession manuals and tools	-
Highly effective concession processes	-
Lessons learned	The investment strategy for tourism concession is to encourage the privatization of three hotels (not within PAs). (ANIP 2013:9)

Investment information

International airports	Currently, the main international airport is 4 de Fevereiro Airport in Luanda. A new international airport in Luanda, located in Bom Jesus, Viana, 40 km south-east of Luanda's city centre, is under construction and will have the capacity to handle some 15 million passengers per year. The project includes the construction of a rail link to Luanda.
National carrier	TAAG (Linhas Aéreas de Angola) is the national carrier, operating direct flights to numerous African destinations, Beijing, Dubai, Paris, London, Brussels, Frankfurt, Lisbon and Sao Paulo.
Internal transport	The internal transport infrastructure has improved considerably over the last few years with new paved road networks linking major towns to Luanda. There is a competitive car rental industry and a good bus service operating on the main routes. TAAG operates a comprehensive schedule of internal flights to key cities.
Communications availability	Telecommunications in Angola is primarily via mobile telephone. There are two mobile operators active in the country: Portugal Telecom's Unitel, and the state-owned Angola Telecom. Internet access is provided by a number of operators.
Corporate tax rate	35%
Rules regarding repatriation of profits and dividends	The rates of the dividends to be transferred are negotiated on a case by case base and must be part of the investment articles of incorporation. The repatriation of dividends depends on: <ul style="list-style-type: none"> • Investment amount. • Period of investment concession. • Fiscal and Custom incentive rate percentages.

	<ul style="list-style-type: none"> • Duration of investment. • Socio-economic impact of the investment in reducing poverty.
Investment Incentives	<p>Incentives are available for the following:</p> <ul style="list-style-type: none"> • Enhancing the capacity of national productivity. • Encouraging partnerships between national and foreign investors. • Transfer of technology and improvements in productivity. <ul style="list-style-type: none"> • Job creation. • Increasing exports and decreasing imports to improve foreign currency reserves. • Supplying the local market with goods and services under competitive conditions. • Promoting technological development and local product quality. <ul style="list-style-type: none"> • Promoting the incorporation of local raw materials and value addition in local production. • Rehabilitation, expansion and modernisation of basic infrastructure.
Rules related to requirements for local partners	<p>Although not required, partnerships between national and foreign investors are encouraged.</p>
Rules regarding land ownership by foreign companies	<p>Foreigners are allowed to purchase and own land in Angola.</p>
Availability of work permits for expatriate staff	<p>Work permits are available for expatriate staff, however, the government encourages the training of Angolan citizens to take over positions once an expatriate work visa expires</p>
Investment guarantees	<p>Investments are guaranteed through the following mechanisms:</p> <ul style="list-style-type: none"> • Access to courts and right to defence. • Monetary restitution in event of expropriation. • Private investments are not nationalised; if this does occur, the Government ensures investor rights. • The law guarantees professionalism, privacy and confidentiality. • Reciprocal Protection of Investment Agreements based on Bilateral Cooperation Agreements.
Restrictions on foreign investment	<p>There are certain key sectors that are restricted to government operation including the ownership of seaports and airports.</p>

Source: RETOSA 2014, pp8-10

3.3.2 BOTSWANA

Concessions information

Relevant policies, strategies and legislation	<p>Tourism Policy, 1990 Botswana Tourism Act, 1992 National Licensing Act, 1992 Botswana Tourism Regulations, 1996, 2010 National Ecotourism Strategy, 2002 Draft Reviewed National Tourism Policy, 2008 Tourism Master Plan (2000) Okavango Delta Management Plan (ODMP), 2007</p>
Concession models used	-
Examples of concession processes	-
Tourism investment guidelines in PAs	-
Concession manuals and tools	-
Highly effective concession processes	-

Lessons learned	-
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Investor information

International airports	Sir Seretse Khama International in Gaborone, Maun International Airport, Francistown International Airport and Kasane International Airport.
National carrier	Air Botswana.
Internal transport	All Botswana's population centres are connected by good tar roads. The national carrier flies daily scheduled flights to Francistown, Kasane and Maun. The country is well-connected to international destinations via the frequent flights between Sir Seretse Khama International and OR Tambo International in Johannesburg, Jomo Kenyata International Airport as well as regional destinations such as Lusaka in Zambia.
Communications availability	Botswana has tourism and hospitality training institutions which equip employees with the necessary skills to operate in the tourism industry. Government levies a tourism industry training levy of P10 per person per night which is allocated for development of skills in the sector.
Corporate tax rate	For resident companies, the corporate income tax rate is 22%. If the 7.5% withholding tax on dividends is taken into account, the effective rate is 27.85%.
Rules regarding repatriation of profits and dividends	There are no exchange controls in Botswana and capital and dividends can be freely repatriated by investors.
Investment Incentives	-
Rules related to requirements for local partners	Foreign investors are encouraged to form joint ventures with local companies but this is not a legal requirement.
Rules regarding land ownership by foreign companies	There are three land tenure systems in Botswana which include: State land, Freehold and Tribal land under various jurisdictions. State land and Tribal land are leased to tourism businesses and individuals for 15 years with the option to renew the lease for a further period of 15 years subject to compliance.
Availability of work permits for expatriate staff	Work permits for expatriate staff depend on the availability of local labour with the requisite skills together with the establishment of suitable training programmes to localise all positions.
Investment guarantees	Botswana is a signatory to the World Bank's Multilateral Investment Guarantee Agency (MIGA). Botswana has also signed a bilateral investment treaty with the Overseas Private Investment Corporation (OPIC), which provides guarantees for US private investors.
Restrictions on foreign investment	There are certain business activities which are reserved solely for citizens. These include bed and breakfast facilities, guesthouses, mokoro (traditional canoe), transfers and mobile operations.

Source: RETOSA 2014, pp14-16

3.3.3 DEMOCRATIC REPUBLIC OF CONGO

Concession information

Relevant policies, strategies and legislation	AFD (2013) Democratic Republic of Congo 2013-2017 Country Strategy Paper. PPPs are mentioned but not in the context of tourism or protected areas. IMF (2013:65) Democratic Republic of Congo Growth and Poverty Reduction Strategy Paper – GPRSP 2 mentions improving and implementing the regulatory framework and rehabilitating existing tourism sites.
Concession models used	-
Examples of concession processes	-
Tourism investment guidelines in PAs	-

Concession manuals and tools	-
Highly effective concession processes	-
Lessons learned	-

Investor information

International airports	There are 3 international airports in the DRC: Kinshasa, Lubumbashi and Kisangani. There are 13 international airlines servicing these cities including Turkish Airlines, South African Airways, Air France, Brussels Airline, Ethiopian Airlines and Royal Air Maroc
National carrier	-
Internal transport	Transport by road outside the main centres remains difficult. A local airline, Air Korongo, offers daily flights between Kinshasa, Lubumbashi and Mbuji-Mayi.
Communications availability	Telecommunications is via mobile networks and there are 6 mobile network operators in the country namely Airtel, Congo Chine Telecom (Orange), Africell, SuperCell, Tigo and Vodacom. The slow development of the DRC's national and international telecommunications infrastructure has held back the development of internet and broadband. However, in 2013 the country was connected to the West Africa Cable System (WACS) submarine fibre optic cable which provides low-cost, high-quality international bandwidth.
Corporate tax rate	40%
Rules regarding repatriation of profits and dividends	Profits and dividends are freely remitted abroad
Investment Incentives	<p>Customs benefits:</p> <ul style="list-style-type: none"> • Exemption from customs and tax duties on turnover on imports of equipment, materials, tools and new spare parts related to investments. <p>Fiscal and para-fiscal benefits include exemption from:</p> <ul style="list-style-type: none"> • Profit taxes. • Turnover taxes on local procurement of work on a property, provisions of services and local purchase of equipment and production materials. • Land tax on developed and non-developed areas. • Ad valorem duty on establishment of a Limited Liability company or the increase in share capital. • Fixed fees on the establishment of companies
Rules related to requirements for local partners	There is no legal requirement for a local partner but local partnerships are encouraged.
Rules regarding land ownership by foreign companies	Land tenure is organised through the Land Code under which natural or legal persons can obtain the right of possession to land by means of a concession contract. Foreign entities are granted ordinary concessions which take the form of land lease, building lease, usufruct, right of common or rental.
Availability of work permits for expatriate staff	Labour Law encourages the employment of Congolese citizens. A Ministerial Decree dated October 2005 fixes the maximum authorised percentage of foreign labour per sector and per category of worker. An exemption on these rates may be granted by the Minister of Employment by means of a decree. The exemption will only be granted on a motivation from the National Commission of the Employment of Foreigners that ensures that the exemption does not exceed 50% of the legally authorised maximum and that the number of foreign workers never exceeds 15% of the total. In addition, certain jobs are reserved solely for Congolese citizens.
Investment guarantees	The government guarantees against nationalisation and expropriation. The DRC is a member of the World Bank's Multilateral Investment Guarantee Agency (MIGA) and of the African Trade Insurance Agency (ATI).
Restrictions on foreign investment	Certain sectors are restricted for Government or Congolese nationals. Tourism, tourism facilities and other hospitality activities are eligible for investment.

Source: RETOSA 2014, pp20-21

3.3.4 LESOTHO

Concessions information

Relevant policies, strategies and legislation	(e.g. policy, laws, regulations) National Strategic Development Plan 2012-2016 Tourism policy, 2000 Tourism PPP Framework, 2012 Investment policy 2012
Concession models used	(e.g. management contracts; leases; concessions (Build operate transfer; rehabilitate operate transfer etc) Lesotho encourages private operators to enter into concession agreements for existing facilities under specific terms and conditions for each concession. (Deloitte 2008:46) The Government is committed to supporting public-private partnerships and particularly encourages concession proposals that incorporate local communities. (Deloitte 2008:47) The tourism authorities will follow a very open system for identifying potential partners and in granting concessions. The authorities have already identified a number of potential areas or sites and existing facilities that are suitable to develop into tourist concession opportunities. These are openly advertised. Initial contact should be with the Lesotho Tourism Development Corporation (LTDC), which is responsible for promoting Lesotho's tourism opportunities. The LTDC identifies useful contacts and provide support and resources to assist investors and concessionaires in locating potential opportunities in Lesotho. (Deloitte 2008:47)
Examples of concession processes	(e.g. Tender process/auction/direct negotiations) Lesotho uses tender processes and direct negotiations for concessions. Lesotho does not have a freehold system of ownership, but rather a leasehold system regulating the rights pertaining to the occupation of land. This means that land in the Kingdom of Lesotho is leased instead of being owned by individuals or corporations. Although only citizens of Lesotho may hold land and acquire the rights to occupy the land in terms of Land Act leases, this does not imply that foreigners to Lesotho may not occupy and develop such land. Lesotho citizens may sublet their rights to land to anyone and such sub-lessees are not precluded from developing, mortgaging or even further subletting the land components. (Deloitte 2008:52)
Tourism investment guidelines in PAs	Tourism Investment Guide Toolkit (undated) Lesotho Tourism Development Cooperation Investors guide (in press)
Concession manuals and tools	Draft Tourism Concession Manual CRISIL (2013) Lesotho Tourism Public Private Partnership Contract Management Consulting, Contract management Manual and resources, Volume 1 and 2: Contract management training manual
Highly effective concession processes	There are a number of concession offered within Sehlabathebe National Park and Maloti Drakensburg TFCA
Lessons learned	-

Sources: Pers. Coms T. Hatase, L. Mohasi, 2014

Investor information

International airports	Moshoeshoe I International Airport. SA Airlink and MGC Aviation are airlines servicing the airport
National carrier	None
Internal transport	Lesotho has good national roads, most of which are tarred. All the key tourism sites have all-weather roads connecting them to towns and to Maseru.
Communications availability	The Lesotho Communications Authority has facilitated wide access to the telecommunication network with hot spots for wi-fi in Maseru and some strategic areas in the country.
Corporate tax rate	40%
Rules regarding	The repatriation of profits is conducted through local commercial banks. Lesotho

repatriation of profits and dividends	only allows repatriation of profits in terms of dividends paid to the shareholders.
Investment Incentives	<p>Free repatriation of profits</p> <ul style="list-style-type: none"> • As a member of the Common Monetary Area (CMA), Lesotho has free convertibility of transactions with Namibia, South Africa and Swaziland. Under an ancillary agreement made with South Africa in 1986, maloti are exchangeable at par with the South African rand and the rand is legal tender in Lesotho. • As part of raising Lesotho's overall business competitiveness, tax incentives may be offered to industries that are key or strategic. Profits arising from income and capital gains are taxed at a general rate of 25%. Losses can be carried forward indefinitely
Rules related to requirements for local partners	Under the Companies Act, all companies to be recognised as local companies must be registered under Lesotho law and local investors can hold up to 49% of company shares.
Rules regarding land ownership by foreign companies	Ownership of land is vested in the State and title is made available in the form of renewable State leases for periods which depend on the use to which the land is put. Maximum lease durations up to 60 years (hotel, industry and commerce). The minimum lease period is 10 years
Availability of work permits for expatriate staff	Government policy is to permit foreign workers only when there is a demonstrated gap in the availability of suitably qualified and experienced citizens. Work permits are issued by the Commissioner of Labour. Work permits are normally offered over a period of two years in the tourism sector. The FDI Company must undertake to ensure transfer of skills over a reasonable period of time to the local counterparts. The FDI company is required to put in place a training and mentorship plan to transfer skills from the Expatriate to a Local counterpart
Investment guarantees	<p>Access to premises: LTDC facilitates access to land and premises. Currently MTEC owns 5 tourism properties for Conference/Events investments and accommodation. The Ministry also has 9 key sites at strategic tourist destination areas around Lesotho which are available for large tourism projects.</p> <p>Access to finance: The Partial Credit Guarantee Fund is an LSL 50 million facility for commercial bank loans to wholly Basotho-owned projects which are viable, but lack partial collateral. The LNDC has set aside a fund of LSL 10 million for 50% loan guarantees available to enterprises with at least 51% national ownership.</p> <p>Training: Many Government agencies offer business skills' training as part of enterprise development schemes. These include both entrepreneurship and workforce skills' development centres (e.g. from LTDC, BEDCO, MTICM, the Lesotho Revenue Authority and the Ministry of Finance).</p> <p>Government procurement: Guidelines allow for a 10% price preference on Lesotho goods and services. A further 7.5% preference is offered for contracts where at least half the work is performed in Lesotho or subcontracted to Basotho business. All contracts over LSL 500 000 which entail sub-contracting must sub-contract at least 25% of the work to Basotho business. A Basotho-owned business may also have a second chance to match the price of a winning tender. For the purposes of Government procurement, a Basotho-owned business is one in which Lesotho residents are majority owners and the majority of directors are Lesotho citizens. Under the Quality Star Grading Programme (QUALStar) quality star graded institutions are given the first opportunity to offer tourism services to the government from 2017.</p>
Restrictions on foreign investment	<p>Businesses Reserved under the Trading Enterprises Regulations 2011: Under these regulations, all trading enterprises must be licensed. A license to trade in reserved activities will only be granted to enterprises that are wholly owned by Lesotho citizens.</p> <p>An enterprise is considered foreign if: its sole proprietor is a non-citizen; it is a partnership in which any partner is a non-citizen; or a body corporate in which any of the directors or shareholders is a non-citizen.</p> <p>Land: All land ownership is vested in the King on behalf of the State, and titles are granted in the form of leases under the Land Act 2010. Lesotho attaches great importance to preserving citizen's access to land. Accordingly, a foreign enterprise will not be granted a leasehold title unless it contains at least 20% local ownership.</p> <p>Environment: Under the Environment Act 2008, Lesotho has an up-to-date legal framework for environmental protection, which requires investors to submit a pre-</p>

	inception project brief to the Department of Environment.
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Source: RETOSA 2014, pp26-28; Pers. Coms T. Hatase, L. Mohasi, 2014

3.3.5 MALAWI

Concessions information

Relevant policies, strategies and legislation	(e.g. policy, laws, regulations) Public Procurement Act (2003) has reference to procurement of Concessions Wildlife Policy (2000) makes reference of engagement of Concessionaires Public Private Partnership Policy Framework (2011) tourism is identified as one of the priority areas (GoM 2011:3). The Public Private Partnership Commission is the national implementing agency for PPPs (GoM 2011:21)
Concession models used	(e.g. management contracts; leases; concessions (Build operate transfer; rehabilitate operate transfer etc) National Tourism Policy aims to promote joint venture partnerships (PPPS). A PPP project typically requires the establishment of a special purpose vehicle (SPV) by the private Party. The SPV will be a locally incorporated company, hence a legal entity with no other activity other than those in the agreement and connected with the borrowing. (GoM 2011:7)
Examples of concession processes	(e.g. Tender process/auction/direct negotiations) GoM Public Private Partnership Policy Framework (2011) provides the staged concession process: 1st step: Project Identification, Needs and Options Analysis: 2nd step: Initial Viability Analysis and Pre-feasibility: 3rd step: Feasibility Studies: 4th step: Procurement Process: 5th step: Contract Management: 6th Step: Implementation and Appraisal:
Tourism investment guidelines in PAs	Tourism Concession Guidelines (2001) Malawi Investment and Trade Centre is a merger of the Malawi Investment Promotion Agency (MIPA) and Malawi Export Promotion Council (MEPC) – provide a list of tourism investment projects (http://www.mitc.mw/index.php?Itemid=616)
Concession manuals and tools	A Practical Guide to Doing Business in Malawi – Investor’s Guide to Malawi Tourism concession guidelines (2001)
Highly effective concession processes	-
Lessons learned	-

Sources: Pers. Coms. S. Nyanyale, H. Nzima, C. Manda, S. Nyanyale, R. Moyo, S. Munthali, 2014

Investor information

International airports	Most international flights land at Kamuzu and Chileka International Airports.. Kamuzu and Chileka International Airports are serviced by a number of African airlines including South African Airways, Ethiopian Airlines and Kenya Airway. Airlink only operates between Kamuzu International Airport and Lusaka
National carrier	Malawian Airlines runs regular flights between Blantyre and Lilongwe in Malawi. It also extend its flights to OR Tambo, Harare and Lusaka
Internal transport	The roads along the main routes are in good condition and self-drive holiday options are available. There is a ferry that runs on Lake Malawi from one end to the other.
Communications availability	There are four mobile network operators in Malawi – Bharti Airtel and Telecom Networks Malawi (TNM), Malawi Telecommunications Ltd (MTL) and Access. The internet sector is competitive with 15 licensed service providers.
Corporate tax rate	Locally incorporated companies are subject to corporate income tax at a rate of 30%. Branches of foreign companies are subject to tax at a rate of 30%.

Rules regarding repatriation of profits and dividends	There are no restrictions on the repatriation of dividends, profits, and royalties
Investment Incentives	<ul style="list-style-type: none"> • 100% investment allowance on qualifying expenditure for new buildings and machinery. • Allowances of up to 40% for used buildings and machinery. • 50% allowance for qualifying training costs <ul style="list-style-type: none"> • Loss carry forward of up to seven years, enabling companies to take advantage of allowances. • Additional 15% allowance for investment in designated areas of the country. • Duty-free direct importation of goods used in the tourism industry, which includes building materials, catering and related equipment, and water sport equipment. <ul style="list-style-type: none"> • Duty-free importation of buses with a seating capacity of 45 persons (including the driver) and above.
Rules related to requirements for local partners	There are no restrictions on ownership.
Rules regarding land ownership by foreign companies	In July 2000 the Government stopped issuing freehold tenure on land in anticipation of new land legislation. The new draft legislation has been prepared and approved by Cabinet and passed by Parliamentary awaiting endorsement by the President. The new legislation abolishes freehold tenure and allows for the conversion of all freehold titles to leasehold for a maximum period of 99 years.
Availability of work permits for expatriate staff	The government grants investors the freedom to employ workers and temporary residence permits are readily available for expatriate personnel for a period of 5 years for those investing more than \$50,000. The business permit can be renewed under a set of conditions
Investment guarantees	Malawi's constitution prohibits deprivation of an individual's property without due compensation and there are laws that protect both local and foreign investment. Malawi has a range of bilateral investment agreements that protect investor's assets. Malawi is also a member of the World Bank's Multilateral Investment Guarantee Agency (MIGA).
Restrictions on foreign investment	There are no restrictions on foreign investment.

Source: RETOSA 2014, pp36-37; Pers. Coms. S. Nyanyale, H. Nzima, C. Manda, S. Nyanyale, R. Moyo, S. Munthali, 2014

3.3.6 MAURITIUS

Concession information

Relevant policies, strategies and legislation	The Tourism Authority Act, 2006 (ta.gov-mu.org) Policy for foreign investment in the tourism sector Policy on investment by non-citizens in the tourist accommodation (non-hotel) sector (2011) Invest hotel scheme (2009) – see Board of Investment (www.investmauritius.com)
Concession models used	(e.g. management contracts; leases; concessions (Build operate transfer; rehabilitate operate transfer etc) Lease
Examples of concession processes	(e.g. Tender process/auction/direct negotiations) Direct negotiations
Tourism investment guidelines in PAs	Guidelines on industrial leases (housing.gov.mu)
Concession manuals and tools	None (see policies)
Highly effective concession processes	-
Lessons learned	-

Sources: BoI, 2009; Pers. Com. N. Muneesamy, 2014

Investor information

International airports	A state-of-the-art international airport which includes a new passenger terminal of 57,000 m ² which has a carrying capacity of 4 million passengers, 52 check-in desks, 5 boarding gates of which one is A380 compatible, 26 immigration counters, 5 telescopic passenger boarding bridges, 5 baggage claim carrousel and a new aircraft parking area. Dedicated cruise passenger terminal at Port Louis harbour
National carrier	Air Mauritius.
Internal transport	Excellent road network including a multiple lane highway linking the airport.
Communications availability	Well-developed digital network infrastructure, broadband internet connection and excellent telecommunication facilities
Corporate tax rate	15% corporate tax applicable to Hospitality and Leisure related activities.
Rules regarding repatriation of profits and dividends	Free repatriation of profits, dividends and capital
Investment Incentives	<ul style="list-style-type: none"> • 15% Value Added Tax • Flat rate of 15% corporate tax • Low custom duties-There are only three bands for customs duties with a maximum of 30% except for motor vehicles, liquor and tobacco • No inheritance tax • 100% foreign ownership allowed (except in Diving business (not more than 30% investment by non-citizens) • No minimum foreign capital required – minimum required for those willing to work and live in Mauritius • 5% registration duty on acquisition of immovable property for business purposes • Annual allowance on capital expenditure for the acquisition, construction or extension of industrial premises, shops and shopping malls, offices and showrooms, restaurants, entertainment premises and setting up of golf courses See Board of Investment (www.investmauritius.com) and Bank of Mauritius (www.bom.mu)
Rules related to requirements for local partners	No restriction for the purchase of immovable property for business purposes by foreign controlled companies registered with the Board of Investment.
Rules regarding land ownership by foreign companies	Mauritius' real estate and property market has seen extensive development in recent years and many investors, both locally and foreign, have benefited greatly. The immovable property market in Mauritius is well regulated and protects the property rights of investors, lenders, developers and occupiers. The Constitution of Mauritius protects the right of land owners from deprivation of property. Guarantee of an ownership title means that an owner may not be deprived of his ownership rights other than by a court decision. By virtue of Article 3 of the Civil Code, a property owned by a non-citizen of Mauritius is governed by the laws of Mauritius
Availability of work permits for expatriate staff	Mauritius has a single occupation permit instead of work and residence permits which is granted within 3 days following the application to investors with an annual turnover exceeding US\$ 132 000 and professionals being offered employment for a monthly salary exceeding US\$ 1 500.
Investment guarantees	Mauritius has introduced a sound legal and regulatory framework to make the island business-friendly, where the interests of the investor community, both local and foreign, are safeguarded. Mauritius is one of the leading countries globally in terms of the strength of investor protection and is ranked 19th in the world in this regard in the World Bank's 2013 'Doing Business' report.
Restrictions on foreign investment	Minimum foreign capital normally required, except in relation to investment in pleasure craft for commercial purposes and in guesthouses. <ul style="list-style-type: none"> - Investment by non-citizens in scuba diving business should not exceed 30% of total investment - Investment by non-citizens in pleasure craft business (i.e. licence to operate pleasure craft for commercial purpose) should first be approved by the Ministry of Tourism & Leisure. The current policy is such that the non-citizen or company should invest at least Rs. 10 million (approx. USD 334,000) in

	<p>this type of business and the project should be innovative</p> <ul style="list-style-type: none"> - Tour operators: no restrictions; applicants submit a business plan and project should meet licensing requirements.
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Source: RETOSA 2014, pp42-43, Pers. Com. N. Muneesamy, 2014

3.3.7 MOZAMBIQUE

Concession information

Relevant policies, strategies and legislation	<p>Conservation Areas Act, approved in April 2014, states that each conservation area will be run by a Management Council, chaired by a government-appointed administrator of the area, and including representatives of local communities, private businesses and local state bodies.⁷⁰ The Tourism establishments and activities Licensing Regime (Decree 18/2007) outlines the type of tourism products that can take in protected areas. Permissible activities include ecotourism, hunting, photography, filming, recreational diving and others as described in protected area management plans. This Decree also establishes that local communities need to be consulted and formally give their opinion on the development of tourism projects in protected areas.⁷¹</p> <p>Tourism user fees in National Parks and Reserves, that are applied to concessionaires and others, are established under Decree 27/2003. It indicates specific fees for entry, adventure, area occupation/site⁷², camping and other (e.g. photography, filming, towing, search (and rescue), sport fishing, scuba diving, snorkelling, and scientific research). Furthermore, legislation on the sharing of PA tourism revenues legislation (Decree 15/2009 and Ministerial Diploma 66/2010), whereby communities⁷³ are entitled to share of a protected area's revenues.</p> <p>Mozambican Immigration Law (Law 5/93 of 28 December) is regulated by the Immigration Regulation (Decree 38/06 of 27 September), and Decree 38/2000 that allows for the issuing of certain visas at borders, and Decree 26/99, which regulates work visas.⁷⁴</p> <p>The legal framework that relates to sport hunting concessions includes a number of legal instruments⁷⁵. The Law of Forestry and Wildlife (Law N° 10/99 of July 7, 1999) and its Regulations (Decree N° 12/2002 of June 6, 2002) address key issues such as that forest and wildlife resources belong to the State; the involvement of local communities, the private sector and civil society; conservation and sustainable use. The Land Act (Law n° 19/97 of 1 October 1997) and its Regulations (Decree n° 66/98 of 15 July 1998) define the extent of land that can be awarded for Fazendas at the Provincial (up to a maximum of 1000ha), Ministerial (1000ha to 10,000ha) and Council level. The Tourism Act (Law No. 4/2004 of 17 June 2004) includes hunting operators in the list of suppliers of products and tourism services, and the Arms Regulation and Ammunition are addressed in the Council of Ministers Decree No 8/2007 of 30 April. These lay down rules governing the possession, use and possession, importation, exportation, transit of firearms and ammunition in the country, either by citizens, residents or foreigners.⁷⁶</p>
Concession models used	Management contracts, concessions (BOT)
Examples of concession processes	Tender processes: e.g. Maputo Special Reserve, Niassa Reserve, Quirimbas Direct negotiations: Gorongosa National Park with Carr Foundation
Tourism investment guidelines in PAs	Mozambique Investment Climate Library: www.tourisminvest.org Casimiro, R. and Spenceley, A. (2012) Tourism concessions in protected areas in Mozambique: Manual for the private sector, Report USAID SPEED, 19 April 2012

⁷⁰ <http://www.peaceparks.org/story.php?pid=1318&mid=1332>

⁷¹ Casimiro, R. and Spenceley, A. (2012) Tourism concessions in protected areas in Mozambique: Manual for the private sector, Report USAID SPEED, 19 April 2012

⁷² The Area occupation/Site land fee, the highest of all (1000 MZM / ha), is also part of the Decree's list of legal fees.

⁷³ As long as organised in local management committees (Ministerial Diploma 93/2005).

⁷⁴ Casimiro and Spenceley, 2012

⁷⁵ Booth, V. (2012) Intermediate working document on the contribution of tourism hunting to the economy in Mozambique, Report to the AFD

⁷⁶ Casimiro and Spenceley, 2012

Concession manuals and tools	Mozambique Investment Climate Library: www.tourisminvest.org Casimiro, R. and Spenceley, A. (2012) Tourism concessions in protected areas in Mozambique: Manual for the private sector, Report USAID SPEED, 19 April 2012
Highly effective concession processes	Concessioning process for Maputo Special Reserve, supported by the IFC in partnership with MTUR – regarding the process and materials created.
Lessons learned	Various case studies on Maputo Special Reserve concessions (see links)

Investor information

International airports	Mozambique has five international airports at Maputo, Beira, Nampula, Pemba and Tete. Maputo International Airport is situated 3 km northwest of central Maputo and is Mozambique's largest airport and the centre for LAM Mozambique Airlines. The airport has recently been expanded and modernised to international standards. International airlines servicing this airport include TAP Portugal and SAA.
National carrier	Linhas Aéreas de Moçambique (LAM)
Internal transport	LAM runs regular internal flights between Maputo and Edge, Inhambane, Vilanculos, Chimoio, Zambezia, Tete, Nampula, Lichinga and Pemba. The roads along the main routes going north from Maputo are in good condition and self-drive holiday options are available.
Communications availability	Most telecommunication access in Mozambique is cellular. There are currently two cellular service providers operating in the country namely Vodacom Mozambique and mCel. The landing of two international submarine fibre optic cables (Seacom and EASSy) has reduced the cost of bandwidth at a retail level. Cross-platform competition, with active ADSL, cable broadband, WiMAX, 3G mobile and limited Fibre-to-the-Home (FttH) services are available.
Corporate tax rate	Standard rate of 32%.
Rules regarding repatriation of profits and dividends	Repatriation of profits from Mozambique is allowed.
Investment Incentives	<ul style="list-style-type: none"> • Benefits on importing of inputs for investment projects (construction material, hotel equipment, etc.) includes exemption from customs duties. • Investment tax credits and the reduction or exemption of corporate tax are available under the Fiscal Benefits Code. These are granted according to the location of the investment. • Modernisation and introduction of new technology. • Professional training. • Many specific benefits are offered in the Special Economic Zones.
Rules related to requirements for local partners	PPP and other partnership models are allowed in Mozambique.
Rules regarding land ownership by foreign companies	Land is the property of the State and can be leased to any investor.
Availability of work permits for expatriate staff	Under Mozambican legislation, work permits are subdivided into either a Communication of Work (under the quota) or an Authorisation for Work (outside the quota).
Investment guarantees	Protection of property rights Repatriation of profits
Restrictions on foreign investment	Foreign investment is not allowed under MT 2,5 million (under US\$100 000).

Source: RETOSA 2014, pp48-49

3.3.8 NAMIBIA

Concession information

Relevant policies,	Concession Policy (2007)
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strategies and legislation	Tourism Policy (2009) Draft Parks and Wildlife Management Bill, Human and Wildlife conflict management policy, Nature Conservation Ordinance amendment Act of 1996. State financial Act. Treasury Bill, Labour Act, Environmental Management Plan, Forestry Act , land board Act and Traditional Authority Act
Concession models used	Build operate transfer; rehabilitate operate transfer, leases, Manage Operate Transfer
Examples of concession processes	Tender Process/Auction/Direct award by Minister
Tourism investment guidelines in PAs	None, (aside from a tourism Development Plan for each protected area), only Policy on Concessions and guidelines on applying for concessions Namibia Tourism Investors' Prospectus (2012) Guidelines for management of conservancies and standard operating procedures (2013)
Concession manuals and tools	Operations Manual for Preparing and Awarding Tourism Concessions on State Land in Protected Area) Concession Unit (Staff) Operational Manual, Implementation Plan Frame work, compliance framework.
Highly effective concession processes	Policy implementation, tender Processes, Concession Committee operations
Lessons learned	Disputes over direct awards, land tenure vs concessions, concession management, need for a strong concession Unit or Directorate, Legal aspects of concessions

Sources: Pers. Coms. Z. Haimbondi, Z. Hangari, E. Kasuto, V. Mushongo, S, 2014

Investor information

International airports	Hosea Kutako International Airport, Walvis Bay, Eros Airport
National carrier	-
Internal transport	45 Airports and Airstrips 126 airports and airstrips (108 unpaved but in good conditions). The rail network covers a total of 2,626 km. Intra-city and inter-city public transport is available in major urban areas. Taxis and airport transfer shuttles are available.
Communications availability	The country has multiple mobile-cellular providers with a combined subscribership of over 70 phones per 100 people. In 2012 a 4G internet facility was introduced.
Corporate tax rate	32%
Rules regarding repatriation of profits and dividends	If a certificate of Status Investment is issued to foreign investors, then the only rule for repatriation of profits is that local tax needs to be deducted, no further rules apply.
Investment Incentives	<ul style="list-style-type: none"> • Non - Resident Shareholders' Tax is only 10%. • Dividends accruing to Namibian companies or resident shareholders are tax-exempt. • Plant, machinery and equipment can be fully written off over a period of three years. • Buildings of non-manufacturing operations can be written off, 20% in the first year and the balance at 4% over the ensuing 20 years.
Rules related to requirements for local partners	No restrictions, but preference is given to company with local/previously disadvantaged partners)
Rules regarding land ownership by foreign companies	There are no restrictions with regard to foreign ownership of land. Only under commercial agricultural land reform legislation, are there restrictions concerning foreign ownership of agricultural farmland.
Availability of work permits for expatriate staff	There is a process that needs to be followed which includes a requirement to prove/motivate why a Namibian could not perform the work or directly link the application to a skills shortage in Namibia.
Investment guarantees	Namibia is a member of the World Bank's Multilateral Investment Guarantee Agency (MIGA). It is also a signatory to the Overseas Private Investment Corporation (OPIC) which provides political risk insurance to US investors in Namibia. The legal system protects and facilitates acquisition and disposition of property rights. The Namibian Constitution guarantees against expropriation without compensation.

Restrictions on foreign investment	No restrictions to date.
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Source: RETOSA 2014, pp57; Pers. Coms. S. Mulonga, Z. Haimbondi, Z. Hangari, E. Kasuto, V. Mushongo, 2014

3.3.9 SEYCHELLES

Concession information

Relevant policies, strategies and legislation	Tourism master plan, 2012 Tourism policies for diving, accommodation, tour guiding, tour operations, travel agents, vertical integration and Yacht policy
Concession models used	-
Examples of concession processes	-
Tourism investment guidelines in PAs	Seychelles Investment Bureau Guidelines for Investment
Concession manuals and tools	-
Highly effective concession processes	-
Lessons learned	-

Investor information

International airports	Seychelles International Airport, also called Aéroport de La Pointe la Rue, is situated on the island of Mahé 11 km south-east of the capital city of Port Victoria. International flights connect Seychelles to Europe, Africa, Asia, and the Middle East. Seychelles International Airport is also the hub for inter-island travel with daily domestic flight services.
National carrier	Air Seychelles
Internal transport	Getting between the various islands is achieved through a network of air and sea transport primarily operating out of the principal island, Mahé. Air Seychelles operates a shuttle service between Mahé and Praslin, the second largest island. The flight lasts only 15 minutes with an average of 20 return flights every day. Air Seychelles also operates other inter-island flights, usually on the request of hotels to Bird, Denis, Desroches and Alphonse Islands. Zil Air is a helicopter charter company which specialises in island transfers, excursions and chartered scenic flights throughout the inner islands. The Islands Development Company (IDC) specialises in charter flights mostly to the Outer Islands of Seychelles. Inter Island Boats has a fleet of modern fast ferries ensuring a 3 times daily service between the main islands of Mahé, Praslin and La Digue.
Communications availability	The Seychelles has a modern communications infrastructure with two GSM networks in operation. With the linkage of the country to the EASSy submarine fibre optic cable in 2012, high speed internet is available.
Corporate tax rate	The presumptive tax is applicable for all businesses regardless of their activity and entity type (sole trader, partnership or company); provided the business annual turnover is not above SR 1 million and not registered for Value Added Tax (VAT). The presumptive tax rate is 1.5% of the business' gross annual turnover. Business Tax is levied on the business taxable income and the rate is specified as per the First Schedule of the Business Tax Act, 2009 [as amended by S.I. 66 of 2012] in the case of an entity, government body or a trustee: <ul style="list-style-type: none"> (i) 25% on the first SCR1, 000,000 of taxable income; (ii) 30 % on the remainder.
Rules regarding repatriation of profits and dividends	The Seychelles has removed all foreign exchange controls and repatriation of profits is allowed.

Investment Incentives	<p>The concessions granted relating to business tax under the Tourism Incentives Act has been moved to Business Tax Act, 2009 as per the Eight Schedule which includes the rate of business tax, special deduction in terms of expenditure, training, marketing & promotion etc., accelerated depreciation. Trades Tax concession is applicable during the construction phase of the project and to be approved by the Ministry of Finance. There is no concession from Value Added Tax (VAT). The business has to register for VAT to be able to claim back the VAT paid and or eligible for 'deferred payment of VAT.</p> <p>The concessions granted relating to business tax under the Agriculture and Fisheries (Incentives) Act, 2005 has been moved under the Eight Schedule of the Business Tax Act, 2009 which includes the rate of business tax, special deduction in terms of expenditure, training, marketing & promotion etc., accelerated depreciation.</p>
Rules related to requirements for local partners	No requirement.
Rules regarding land ownership by foreign companies	Investors can lease land from government and/or buy land from the private sector. The government will lease commercial or industrial property on terms ranging from 60 to 99 years depending on the type and scale of the development.
Availability of work permits for expatriate staff	Work permits are granted to expatriate staff in the form of a Gainful Occupation Permit (GOP). Tourism businesses are entitled to a quota for employment of expatriate for certain occupations
Investment guarantees	The government of Seychelles conducts regular assessments of its legislation pertaining to investment in the country, and implements measures designed to create an ever more competitive, internationally compatible investment climate, to ensure that both new and established businesses are guaranteed success in their business activities. The Seychelles Investment Act 2010 guarantees that any investment is protected against nationalisation or expropriation by the state.
Restrictions on foreign investment	<p>There are no limitations on the participation of foreign capital in the services sectors except for the participation in the sectors referred to as "Reserved" and "Strategic" areas of investment. "Reserved" areas, according to Seychelles' current investment legislation, refer to activities which are reserved for domestic investors only, while "Strategic" areas relate to sectors in which domestic and foreign investors may be allowed to operate subject to conditions designed to protect the public interest. In terms of tourism investment, the following are reserved for domestic investors only:</p> <ul style="list-style-type: none"> • Accommodation of up to 15 rooms • Live aboard up to 5 boats, except luxury boats of >50 ft (a forienger can operate) • Travel Agent • Tourist Guide • Car Hire Operator • Boat Charter except • Taxi Operator • Diving Centers (excluding centers operating on outer islands other than Mahe, Praslin, La Digue and Cerf, and dive operators) • Water Sports

Source: RETOSA 2014, pp63-64; Pers Com. S. Levkovic, Ministry of Tourism and Culture; D. Ernesta, Seychelles Chamber of Commerce and Industry

3.3.10 SOUTH AFRICA

Concession information

Relevant policies, strategies and legislation	<p>(e.g. policy, laws, regulations)</p> <p>South Africa has established a firm regulatory framework for national and provincial institutions to enter into public private partnerships (PPPs). This is set out in Treasury Regulation 16 issued in terms of the Public Finance Management Act, 1999 (PFMA). Furthermore, National Treasury's <i>PPP Manual</i> and <i>Standardised PPP Provisions</i> have been issued as PPP practice notes in terms of section 76(4)(g) of the PFMA to make the application of the PFMA and its regulations easier. Municipal</p>
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	<p>PPPs are regulated under the Municipal Finance Management Act, 2003 (MFMA) and its regulations, and similar PPP guidance is being devised for this sphere of government.⁷⁷ The 1996 White Paper on Tourism Development and Promotion provides the policy basis for promoting responsible tourism, and SANS1162 provides the national standards for responsible tourism⁷⁸.</p>
Concession models used	<p>A concession contract enables a private sector concessionaire to use a defined area of land and buildings within a protected area over 20 years, in return for payments of concession fees. Typically the concessionaires may construct new infrastructure, or take over and upgrade existing facilities. There are a series of obligations on concessionaires, which include financial terms, environmental management, and social objectives⁷⁹. At the end of the concession period, ownership of all infrastructure reverts to the protected area agency (i.e. Build-Operate-Transfer: BOT) Hunting is not allowed protected areas but there is a lively debate on private hunting on buffer zones⁸⁰.</p>
Examples of concession processes	<p>Open tender process</p> <p>South African National Parks (SANParks) is the parastatal (state owned enterprise) authority in charge of managing national parks. Since 2000, SANParks' powers have included granting contracts, for both Build Operate and Transfer (BOT) type and operational concessions according to park management plans and strategic plans for commercialization which are an integral part thereof, both awarded at the provincial level and under Public-Private-Partnership (PPP) regulations administered by the National Treasury⁸¹.</p> <p>Concession planning gives special attention is now given to the active participation of local communities, legally empowered to become responsible for the development and management of tourism lodges in PAs. This movement was strengthened with the entering into force of the black economic empowerment overarching policy in 2004.⁸²</p>
Tourism investment guidelines in PAs	<p>National Treasury (2004) Public Private Partnership Manual: National Treasury PPP Practice notes issued in terms of the Public Finance Management Act, National Treasury PPP unit</p>
Concession manuals and tools	<p>National Treasury (2004) Public Private Partnership Manual: National Treasury PPP Practice notes issued in terms of the Public Finance Management Act, National Treasury PPP unit</p>
Highly effective concession processes	<p>Clear and transparent tender process.</p> <p>Clear tools and templates.</p> <p>Over a decade of experience managing concession contracts (high value).</p>
Lessons learned	<p>Several case studies and papers written on SANParks PPP process:</p> <p>De la Harpe, D., Fernhead, P., Hughes, G., Davies, R., Spenceley, A., Barnes, J., Cooper, J. and Child, B. (2004) Does commercialization of protected areas threaten their conservation goals? In Child, B. (ed) Parks in Transition, Earthscan</p> <p>Varghese, G. (2008) Public private partnerships in South African National Parks: The rationale, Benefits and lessons learned, In Spenceley, A. (ed) Responsible tourism: critical issues for conservation and development, Earthscan</p> <p>Spenceley, A. (2004) Responsible nature based tourism planning in South Africa and the commercialization of Kruger National Park, In Diamantis, D. (ed) Ecotourism, Thomson.</p> <p>Concession contract management and monitoring: SANParks: http://www.slideshare.net/AnnaSpenceley/south-african-national-parks-concessions-processes-giju-varghese</p> <p>Public private partnerships – SANParks – the Rationale, benefits (from a constituency building perspective): http://www.slideshare.net/AnnaSpenceley/san-parks-contract-management-giju-varghese</p> <p>Experience in the development (incubation) of transboundary events with Namibia,</p>

⁷⁷ National Treasury (2004) op. cit.

⁷⁸ http://www.tourism.gov.za/AboutNDT/Branches1/Knowledge/Documents/SANS1162_1.pdf

⁷⁹ Varghese, G. (2008) Public-private partnerships in South African National Parks, In Spenceley, A. (ed) Responsible tourism: critical issues for conservation and development, Earthscan, pp69-83

⁸⁰ <http://www.krugerpark.co.za/krugerpark-times-e-1-hunting-help-protect-wildlife-south-africa-25045.html>

⁸¹ National Treasury (2004) Public Private Partnership Manual: National Treasury PPP Practice notes issued in terms of the Public Finance Management Act, National Treasury PPP unit

⁸² National Treasury (2004) op. cit

	Botswana, Zimbabwe and Mozambique. E.g. Tour de Tuli; Tour de Limpopo; Desert Knights.
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Investor information

International airports	O R Tambo International airport near Johannesburg has again won the best airport in Africa World Travel Awards 2012. Cape Town and Durban also receive visitors through their international airports, to a lesser extent than O R Tambo.
National carrier	South African Airways (including SA Express, and Airlink)
Internal transport	Airlines: Mango, Kulula, private charters. Bus: Greyhound, Intercap Road: Good road network.
Communications availability	The country has invested a considerable amount of money to upgrade and support its telecommunications infrastructure as well as providing services to its accommodation sector.
Corporate tax rate	28% corporate tax. 15% withholding tax on dividends declared which can be reduced in terms of an appropriated double taxation agreement.
Rules regarding repatriation of profits and dividends	Remittance of funds transactions and exchange controls are regulated by the South African Reserve Bank. Prior approval for investments should be obtained for investments or placed on record to enable remittance of funds. In principle, dividends declared by South African subsidiaries of foreign companies, and profits distributed by a branch of a foreign company operating in South Africa, may be remitted abroad.
Investment Incentives	South Africa offers an array of incentive schemes aimed at supporting the development and growth of commercially viable and sustainable enterprises through the provision of either funding or tax relief, thereby ensuring the creation of new and sustainable jobs. Further details on specific incentives can be accessed at www.investmentincentives.co.za . The Tourism Enterprise Partnership (TEP) is the operating entity for Strategic Partners in Tourism, a Non-Profit Company (NPC) that utilises funding from Corporate South Africa and Government to facilitate the growth, development and sustainability of small tourism businesses in South Africa. Further detail is available on the website at www.tep.co.za .
Rules related to requirements for local partners	No rules.
Rules regarding land ownership by foreign companies	No specific requirement although investors need to pay attention to South Africa's Broad Based Black Economic Empowerment legislation and understand the requirements that this places on business.
Availability of work permits for expatriate staff	Currently foreigners are allowed to own land in South Africa. The Green Paper on Land Reform does however propose a limitation on foreign land ownership in South Africa to a leasehold of a minimum of 30 years.
Investment guarantees	Work permits are issued to foreigners where South African citizens with the relevant skills are not available for appointment. The South African Department of Trade and Industry has a Facilitation Unit which assists with work permits related to an investment requiring expatriate staff for the start-up or implementation of the project.
Restrictions on foreign investment	South Africa is a member of the World Bank's Multilateral Investment Guarantee Agency, MIGA, and is a signatory to the Overseas Private Investment Corporation (OPIC).

Source: RETOSA 2014, pp70-72

3.3.11 SWAZILAND

Concession information

Relevant policies,	Land concessions on Swazi National Land (communal land held by the King in trust)
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strategies and legislation	for the nation) are governed by the Land Concession Order of 1973. Other than the aforementioned, there are no specific guidelines on concessions in Swaziland. Obtaining concessions within the property of the Swaziland National Trust Commission (the authority mandated to proclaim and manage protected areas) is also negotiable and can be done directly through them. (Deloitte 2008:116). The Land Policy is still under development which will be the framework on land use and development Investors Guide to Swaziland
Concession models used	(e.g. management contracts; leases; concessions (Build operate transfer; rehabilitate operate transfer etc)
Examples of concession processes	(e.g. Tender process/auction/direct negotiations) Swaziland currently has no concessions in process
Tourism investment guidelines in PAs	The Swaziland Investment Promotion Authority provides facilitation services with regards to hosting all qualifying investments in Swaziland.
Concession manuals and tools	None
Highly effective concession processes	-
Lessons learned	-

Sources: Pers. Com. S. Maphalala, Swaziland National Trust Commission, 2014

Investment information

International airports	Matsapha International Airport located in Manzini. Swaziland is only accessible via OR Tambo International Airport in Johannesburg, South Africa on Swaziland Airlink. The King Mswati III International Airport has just been officially launched and will replace Matsapha about 80 km outside of Mbabane.
National carrier	Swaziland Airlink and Swaziland Railway
Internal transport	Swaziland is a small country with a good road infrastructure linking all major cities and towns in the country as well as providing links into neighbouring Mozambique and South Africa. There are various options on car hire and this is the best means of internal transport.
Communications availability	Mobile access is provided by the state company SPTC and MTN Swaziland. There are four registered Internet Service Providers in Swaziland and ADSL and 3G services are available.
Corporate tax rate	30%
Rules regarding repatriation of profits and dividends	The country has a liberal regime of exchange controls that allow for the full repatriation of profits and dividends.
Investment Incentives	<ul style="list-style-type: none"> • The government has identified specific sectors that have been deemed important for investment and these sectors qualify for a special corporate tax incentive. Tourism is one of these sectors. The Minister of Finance has the prerogative to nominate a certain investing company crucial for the development of Swaziland and, with Cabinet approval, the company can qualify for a minimum tax rate of 10% and a 10 years exemption on withholding taxes on dividends. • 150% of training costs can be written off against tax. • Capital goods imported for investments are exempt from duty. • Provisions for loss cover.
Rules related to requirements for local partners	The regulations allow for 100% ownership of foreign investments.
Rules regarding land ownership by foreign companies	The Swazi Constitution does not allow the vesting of ownership of land in foreign-owned companies or foreigners. The Constitution does go on to state that this "may not be used to undermine or frustrate an existing or new legitimate business undertaking of which land is a significant factor or base." Foreign companies looking to own land must attain approval from the Land Management Board.
Availability of work permits for expatriate staff	Swaziland allows the employment of expatriate staff. Five year work and residence permits are available for directors, senior management and specialised technical staff.

Investment guarantees	The government guarantees against expropriation and interference. Swaziland is a member of the World Bank's Multilateral Investment Guarantee Agency (MIGA).
Restrictions on foreign investment	There are no restrictions on foreign investment.

Source: RETOSA 2014, pp77-79; Pers. Com. S. Maphalala, Swaziland National Trust Commission, 2014

3.3.12 TANZANIA

Concession information

Relevant policies, strategies and legislation	Public Procurement Act of 2004 and subsequent regulations of 2013 Tanzania Tourism Master Plan (2002) National Tourism Policy (1999) Wildlife Policy of Tanzania (1998) Tanzania Investment Policy (1996) National Policies for National Parks in Tanzania (1994)
Concession models used	TANAPA Lease Agreements
Examples of concession processes	Ministry of Natural Resources and Tourism's Wildlife Division is responsible for hunting concessions. TANAPA Investment Procedure guidelines
Tourism investment guidelines in PAs	Government of United Republic of Tanzania (2003) Guidelines for Coastal Tourism Development in Tanzania Tanzania Investment Centre (undated) Tanzania Investors Guide UNCTAD (2005) An investment guide to Tanzania World Bank (2005) Attracting Investment in Tourism TANAPA Development Action Lease Procedures (DALP) (1995) Respective National Park's General Management Plan (GMP) and Game Reserves and for Ngorongoro Conservation Area Authority (2006) Resource Management Zone Plans.
Concession manuals and tools	DALP (Development/Action/Lease Procedures) Tanzania Investment Guide (annual)
Highly effective concession processes	Public Procurement Act of 2004 and subsequent regulations of 2013
Lessons learned	There has been a 20% increase in Foreign Direct Investment since 2007, in relation to concessions

Source: Pers. Com. E. Dembe, E. Mweyunge, F. Sanongi, E. Koppa, 2014

Investor information

International airports	Tanzania has three international airports - Julius Nyerere International Airport in Dar es Salaam and Kilimanjaro International. Charter flights and some international operators fly directly to Zanzibar Island, Mwanza and Songwe-Mbeya. Dar es Salaam is served by a number of international operators including KLM, Swiss Air, Air France, Qatar Airways, Ethiopian Airways, Kenya Airways, South African Airways, Emirates, Turkish Airlines, Oman Air, Condos, Zambezi Airways, Egypt Air, RwandAir, Uganda Air, and LAM
National carrier	Air Tanzania
Internal transport	Air Tanzania flies regular daily flights between Tanzania's major cities. Other carriers include Precision Air, Fast Jet, Coastal Air and Auric Air. The country has a good charter flight sub-sector that provides services primarily for the safari companies. The road network has improved substantially over the last decade although air would still be the preferable means for internal travel. There are daily departures by ferry to Zanzibar and Pemba Island from Dar es Salaam.
Communications availability	Mobile services are the preferred method of communication in Tanzania. The country has two fixed-line operators (TTCL and Zantel) and eight operational mobile networks. The major mobile players are Vodacom, Bharti Airtel, Tigo and Zantel. The landing of the Eastern Africa Submarine Cable System (EASSy) has dramatically improved internet connectivity. Voice over internet protocol (VoIP) telephony has been liberalised and 3G and 4G mobile services are available.

Corporate tax rate	30%
Rules regarding repatriation of profits and dividends	Guaranteed repatriation of profits and dividends.
Investment Incentives	<ul style="list-style-type: none"> • Import duty and VAT exemption on project/capital goods. • Strategic Investor Status: For projects valued at over US\$ 20 million that offer a meaningful impact to society or the economy, investors can request special incentives from the Government. • Import Duty Draw Back Scheme
Rules related to requirements for local partners	There are no specific regulations or requirements for local participation however, the Dar Es Salaam Stock Exchange forbids companies with more than 60% foreign ownership from listing.
Rules regarding land ownership by foreign companies	All land in Tanzania belongs to the State. Foreign investors can occupy land for investment purposes through a government-granted right of occupancy, through derivative rights, or through sub-leases through a granted right of occupancy. Rights of occupancy and derivative rights may be granted for periods up to 99 years and are renewable.
Availability of work permits for expatriate staff	All foreign citizens are required to obtain residence permits (also serve as work permits). The general principal for granting a permit is that the applicant needs to demonstrate that a Tanzanian citizen is unable to perform the job that the foreign citizen intends to carry out in Tanzania. Investors generally qualify for an immigration quota of up to 5 people.
Investment guarantees	Investments in Tanzania are guaranteed against nationalisation and expropriation. Tanzania is a signatory of several multilateral and bilateral agreements on protection and promotion of foreign investment. Among other international agreements and membership, Tanzania is a member of the World Bank's Multilateral Investment Guarantee Agency (MIGA).
Restrictions on foreign investment	The Tourism Act of 2008 bars foreign companies from engaging in mountain guiding activities. According to this legislation, only Tanzanian citizens can operate travel agencies and car rental services and engage in tour guiding.

Source: RETOSA 2014, pp84-85, Pers. Com. E. Dembe, E. Mweyunge, F. Sanongi, E. Koppa, 2014

3.3.13 ZAMBIA

Concession information

Relevant policies, strategies and legislation	<ul style="list-style-type: none"> • Tourism Policy for Zambia , 1998 • Policy on National Parks and Wildlife , 1998 • Zambia Wildlife Act. No. 12 , 1998 • Zambia Wildlife Authority guidelines on PPPs • Note: Remove quotes from the section i.e Contour 2012:37 • Zambia Public Procurement Authority (ZPPA),-Public Procurement Act No 12 of 2008. • National heritage conservation commission Act of 1989 • Zambia Development Agency (ZDA), Act No. 11of 2006 • Lands Act of 1995 • National Forestry Policy of 1998 • Forests Act of 1995 • Environmental Management Act (EMA) No. 12 of 2011 <p>Land: There are only two types of tenure in Zambia namely leasehold, which runs for 99 years and is renewable for a further 99 years, and customary tenure, which can be converted to leasehold thus allowing it to be used as collateral.</p> <p>Zambia has no freehold system of tenure and under the new Land Act land now has a value and can be sold even without improvements on the land. A non-Zambian can acquire land under following conditions:</p>
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	<ul style="list-style-type: none"> <input type="checkbox"/> He/she is a permanent resident of Zambia; <input type="checkbox"/> He/she is an investor within the meaning of the Zambia Development Agency Act or any other law permitting investment in Zambia; and <input type="checkbox"/> In exceptional cases, by presidential consent in writing. (Deloitte 2008:142)
Concession models used	<p>(e.g. management contracts; leases; concessions (Build operate transfer; rehabilitate operate transfer etc)</p> <ul style="list-style-type: none"> • Safari Hunting concession and Tourism concession Agreement • Community Public –Private Partnership(CPPP) • Joint Forest Management committees • Block concessions • Community Development Trusts <p>Community-public-private partnership (CPPP) envisaged for Sioma Falls Lodge. Signatories to the CPPP would be the landowner, which is the Bartotse Royal Establishment, ZAWA and private parties. Each signatories' rights and obligations, events that constitute defaults by each party and the explicit consequences of defaults must be incorporated into the CPPP agreement, as well as risks and rewards appropriately assigned to each party. To maximise the benefits for communities it is recommended that the support of development financing organisations be sought to form part of the CPPP, ensuring the communities assume limited financial risk besides the role that they play as landowners. (Deloitte 2008:154)</p>
Examples of concession processes	<p>Tender /auction /direct negotiations</p> <p>The sites in protected areas are usually tendered and the requirements for application are:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Detailed business plan clearly showing capacity to develop and manage the proposed investment; (The business plan should include sketch drawings or maps of the proposed facilities in the area being applied for, cash flow and financial statements); <input type="checkbox"/> A brief description of all past related projects or activities; <input type="checkbox"/> Traceable references; <input type="checkbox"/> A list of shareholders/partners involved in financing or developing the proposed project; <input type="checkbox"/> An audited financial statement confirming solvency of the applicant or proof of financial capacity; and <input type="checkbox"/> Certificate of registration/incorporation. <p>Bids should be submitted in accordance with the Instructions to Bidders contained in the tender document. When bids are received they are evaluated by a highly technical committee appointed by the director-general of ZAWA.</p> <p>Investment projects that are to be located in a game management area will also require a permit issued by the ZAWA. Applications for the permit should be supported by the following documents:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Project proposal; <input type="checkbox"/> List of shareholders; <input type="checkbox"/> Information on promoters' business experience; and <input type="checkbox"/> Recommendation letter from the district council. (Deloitte 2008:144)
Tourism investment guidelines in PAs	<ul style="list-style-type: none"> • ZAWA PPP guidelines • Tourism investment guidelines • ZAWA Guidelines on acquisition of land in protected areas • ZAWA investment guidelines • National heritage guidelines • Procurement guidelines • Zambia Investor Guide Handbook (2013) <p>The Zambia Wildlife Authority (ZAWA) established through an Act of Parliament, No. 12 of 1998, is a statutory body in charge of wildlife management in Zambia. ZAWA regulates all tourism activities in national parks and game management areas. The organisation facilitates private sector participation in wildlife management by leasing out sites for tourism development. (Deloitte 2008:143)</p>

	Zambian Development Agency (ZDA) is responsible for supporting economic growth and encouraging investment.
Concession manuals and tools	None
Highly effective concession processes	None indicated
Lessons learned	None indicated

Source: Pers. Coms. A. Nambota, A. Mwakifwamba, J. Chiluwe, and M. Mwanza 2014

Investor information

International airports	Direct flights into Lusaka are operated by a number of carriers including British Airways, South African Airways, KLM, American Airlines, Kenya Airways and Ethiopian Airways. South African Airways and KLM fly directly into Ndola and South African Airways and British Airways fly directly into Livingstone out of Johannesburg.
National carrier	A national carrier is in the process of establishment.
Internal transport	The local airline, Proflight Zambia, runs charters and scheduled flights within Zambia between Mfuwe, Livingstone and Lusaka. Other flights include Mahogany Air which flies Lusaka/Ndola/Chipata /Livingstone. Self-drive holidays are possible in Zambia if one remains on the main routes between cities.
Communications availability	There are three mobile network operators in Zambia - Bharti Airtel, MTN and Cell Z. Zambia has recently connected to two international submarine fibre optic cables, the West Africa Cable System (WACS) and Sat-3, which has substantially improved broadband services in the country. 3G services are available.
Corporate tax rate	35%
Rules regarding repatriation of profits and dividends	Full repatriation of profits and dividends is allowed and there is no restriction on the import or export of capital.
Investment Incentives	<ul style="list-style-type: none"> • Zero tax on dividends for 5 years from year of first declaration of dividends. • Zero tax on profits for 5 years from the first year profits are made. From year 6 to 8, only 50% of profits are taxable and years 9 & 10, only 75% of profits are taxable. • Zero import tariffs on raw materials, capital goods and machinery for five years. This includes specialised vehicles. • Deferment of VAT on machinery and equipment including specialised vehicles. • Zero rate of VAT on tour packages throughout Zambia. • Zero rate of VAT on other tourist services provided to foreign tourists other than those included in tour packages. • Refund of VAT for non-resident tourists and visitors on selected goods. <ul style="list-style-type: none"> • No import VAT on all goods temporarily imported into the country by foreign tourists. • Capital allowances at 50% of the cost of plant and machinery. • Investment allowance at 10% of the cost of an extension to a hotel. • 5% wear and tear allowance to an extension to a hotel. • 10% initial allowance on an extension to a hotel in the year the building is first brought into use.
Rules related to requirements for local partners	There is no requirement for a local partnership although government encourages these partnerships.
Rules regarding land ownership by foreign companies	Land ownership in Zambia is governed by the Land Act of 1995 under which ownership of all land is vested in the President.
Availability of work permits for expatriate staff	Foreign investors are allowed to lease land for a maximum period of 99 years. The President is not allowed to lease land situated in an area held under customary tenure including game management areas which are subject to approval by the Director General of the Zambia Wildlife Authority. Investors in the tourism sector are given priority access to land allocation and provision of other utilities.
Investment guarantees	Expatriates are granted employment permits to work in Zambia. Investors are provided facilitation of acquisition of employment permits.

Restrictions on foreign investment	The Government protects investors against nationalisation. Investors can enter into Investment Promotion and Protection Agreement with the Government. Zambia is a member of the World Bank's Multilateral Investment Guarantee Agency (MIGA).
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Source: RETOSA 2014, pp90-92, Pers. Coms. A. Nambota, A. Mwakifwamba, J. Chiluwe, and M. Mwanza 2014

3.3.14 ZIMBABWE

Concession information

Relevant policies, strategies and legislation	The Forest Act allocates large areas of former communal land to the Forestry Commission, which leases timber, hunting and photographic tourism concessions. (Contour 2012:42) Tourism Act, 2001 amended 2004, 2009 National Tourism Policy, 2012 Parks and Wildlife Act, 1996 (Chapter 20:14) Zimbabwe Investment Authority Act (2006, Chapter 14:30) Gonarezhou General Management Plan (2011-2021)
Concession models used	Concession (BOT) PPPs and PPCPs (public private community partnerships) are used. Consumptive tourism (hunting) concessions last up to 10 years. Photographic concessions last up to 25 years. In communal areas, concession modes are guided by Rural District Councils and models involve partnerships with the private sector.
Examples of concession processes	Tender process: e.g. Gonarezhou (Zisadza, 2009) <ul style="list-style-type: none"> Phase 1: Market analysis; legal and institutional analysis; review of local business interests/empowerment options; design of bid process; approval of materials and process Phase 2: Implementation – prequalification; due diligence by prequalified bidders; bidding, evaluation and contracting Unsolicited proposals are also accepted.
Tourism investment guidelines in PAs	All proposals for investment in Zimbabwe must be submitted to the Zimbabwe Investment Authority (ZIA).
Concession manuals and tools	Guidelines are provided by relevant authorities including Zimbabwe Parks and Wildlife Authority (PWMA), Forestry Commission, CAMPFIRE, and local authorities.
Highly effective concession processes	(i.e. for scaling up to other SADC countries) Recommendations include to use: <ul style="list-style-type: none"> Comprehensive and standardized contracts (e.g. SANParks template) Prequalification criteria that ensure bidders have sufficient financial and technical capacity to be successful in the investment. Having a due diligence process Having a bid evaluation process with an ‘adjudication committee’, ‘final selection criteria’ and clear, objective weightings. Commitment fees for bidders to avoid speculation. Concession agreement guidelines to avoid pitfalls.
Lessons learned	Limpopo Sashe TFCA: Tuli Circle, Maramani and Nottingham Estate In Gonarezhou (Zisadza, 2009; Pers. Com. Van der Westhuizen, 2014) <ul style="list-style-type: none"> Initial planning for tourism concessions did not include stakeholder participation. Selected investors did not have a clear track record in the tourism industry. Bid scores and criteria were supposed to be available for public scrutiny The Bidding Memorandum lacked information on empowerment of local communities and businesses. Having a participatory process of evaluation committee member

	<p>nomination, and including on the committee an independent specialist and a local community representative would be advantageous.</p> <ul style="list-style-type: none"> • Bid deposits should be introduced, in case a winning bidder failed to implement the project. Then the deposit can be used by ZPWMA, and can proceed to discuss options with the second-placed bidder. • Concessionaires have not developed their sites and EIAs that ‘claimed’ to have been implemented were not done properly, or through appropriate channels. • Weak coordination meant that GNP management were not available for on-the-ground information for most sites. Since demarcation of the sites had not been done, visits by investors by themselves were not focused on the available sites. • Most of the sites were at the main attractions/resources of GNP that all visitors would wish to see, rather than the basis for exclusive concession areas desired by investors. This led to public controversy and lengthy negotiations with concessionaires (i.e. 2 years) and the decision to review the tourism plan. <hr/> <ul style="list-style-type: none"> • The rental rates are very (e.g. by comparison, rental of a 4-bed house in Harare can range from USD12,000–USD42,000 per year⁸³). It is not clear whether the lease values were offered by the bidders, or suggested by ZPWMA. • A five year concession period is very short duration for a company to undertake an EIA, develop infrastructure, establish a business, operate it and make a return on its investment. • The prequalification materials noted the development of ‘semi-permanent’ facilities, but did not define what this meant. The lack of clarity created confusion among some investors. • Prequalification did not address empowerment and participation of local communities, in relation to the Indigenization Act. • Provide defined and consistent descriptions of tourism opportunities (e.g. no. beds, level exclusivity, size of area, future competitive products, complementary infrastructure, obligations of ZPWMA) • Defining the sites and bidding process would have been improved if done in consultation in consultation with conservation partners and potential investors, and if a list of potential investors had been established. • The process may benefit from a conservation partnerships forum to organize workshops with stakeholders, and to discuss participation (including through Community Public Private Partnerships (CPPPs)). • The opportunity to use donor funds to finance community equity stakes should be explored. • A tender evaluation criteria relating to opportunities for local people and Zimbabwean enterprises should be included, to encourage more local participation and partnerships. However, bidders had to include Zimbabwean citizens as the proponent, or within a joint-venture
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Pers. Coms. A. Dangare, T. Musonza, P. Gandiwa, H van der Westhuizen, 2014

Investor information

International airports	Harare, Victoria Falls, Buffalo Range
National carrier	Zimbabwe Air
Internal transport	Charter flights, hire car companies in Harare
Communications availability	Good cellphone networks
Corporate tax	25%

⁸³ <http://www.property24.co.zw/4-bedroom-properties-to-rent-in-harare-c1729>

rate	
Rules regarding repatriation of profits and dividends	100% remittability of profits
Investment Incentives	Duty exemption on specified capital goods imported for use in TDZs Taxation on investments is as follows: <ul style="list-style-type: none"> • First 5 years of operation 0% • Second 5 years of operation 15% • Third 5 years of operation 20% Thereafter normal rates of corporate tax apply Quick processing of investment licences (24 hours) Zimbabwe Tourism Authority (ZTA) provides free advisory services
Rules related to requirements for local partners	Facilitation of access to land Equity of up to 51% in line with the Indigenisation Policy. The policy is however flexible and may be dependent on the nature and size of the investment.
Rules regarding land ownership by foreign companies	Foreign investors may acquire land through outright purchase (freehold title) especially in urban centres, and through long-term leases (leasehold title) for land owned by local and central government (state land) including land in parks or game reserves.
Availability of work permits for expatriate staff	These are granted on a case-by-case basis through the Department of Immigration and Control
Investment guarantees	Security of foreign investment is provided through Bilateral Investment Promotion and Protection Agreements (BIPPAs).
Restrictions on foreign investment	Certain types of investments are preserved for locals. These include car hire companies, guest houses, camping sites and restaurants.

Source: RETOSA 2014, pp98, Pers. Coms. A. Dangare, T. Musonza, P. Gandiwa, H van der Westhuizen, 2014

3.4 GUIDELINE DEVELOPMENT PROCESS

The overall development process for these guidelines is summarised below, including the timeframe for future steps.

Activity	Stage/timing
Inception meeting and report	Completed
Scoping – on format and style of guideline, and draft ToC	Completed
Situational analysis – information on concessions, processes and products in SADC currently	In progress
Draft guideline development – populating the ToC (version 1)	Completed
Review period for draft prior to conference (English version) <i>Requested Portuguese and French Translation.</i>	Completed
Conference on concessions: review and improve the content of the guideline + annexes (Johannesburg)	1-3 September: Completed
Revision of guideline (version 2)	September: Completed
Translation (French, Portuguese)	September: 2 weeks
Review period (English, French, Portuguese)	Oct (2 weeks): Completed
Revision of guideline (version 3)	Completed
Validation meeting with SADC/GIZ (Gaborone)	Completed
Finalisation of guideline (version 4)	Completed (<i>this document</i>)

Note: English versions of review drafts were available for all of the review periods. However, by the time of this version of the guidelines, only French translations of Version 1 and 2 were available for review.

3.5 CONTRIBUTORS TO THE GUIDELINE DEVELOPMENT

The contributors listed below contributed to the development of these guidelines, either by participating in a consultative workshop; providing feedback on draft materials; and providing information to support them.

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