

THE ROLE OF DIFFERENT SOURCES OF FINANCING IN SUSTAINABLE TOURISM DEVELOPMENT: THE CASE OF NATIONAL PARKS IN CROATIA

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Croatia obtains most of its tourist visits in the Adriatic tourist region over a short period of summer, which puts great pressure on the environment. Nevertheless, other parts of Croatia have tourist resources that are visited by numerous tourists as well. Global trends in the tourism market show that national parks are attracting more and more tourists. This is reflected by increasing numbers of visitors in such areas, and consequently, as increased revenue from selling tickets consistent with such tourist traffic in Croatian national parks (NPs). However, to preserve these areas while ensuring long-term sustainable development of tourism, it is necessary to apply environmental, socio-cultural and economic principles.

The most sensitive areas of nature are strict reserves and national parks, which represent and require the highest level of protection, therefore, substantial funding has been allocated to them for years, mainly from the state budget of the Republic of Croatia. Presently, eight Croatian NPs are financed from various sources, other than the state budget, so national parks are financed from their assigned sources as well, including tourism. The accession of the Republic of Croatia to the European Union on 1 July 2013 has allowed Croatia to use financial instruments of the EU for various purposes, with the protection of the

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environment being one of the priorities. Since the day Croatia became a full member of the EU, EU structural funds, among other things, have been available to NPs, primarily the Cohesion Fund, intended for funding public investments in transport infrastructure and environmental protection, as well as the European Regional Development Fund.

The purpose of the paper is to analyse the structure of sources of funding for NPs in Croatia from 2014 to 2018. It aims to prove a trend of increasing revenues earned by national parks in Croatia, the resulting reduced reliance on the state budget and increased reliance on other sources of funding, in particular, EU funds.

The paper analyses financial plans of all eight national parks in Croatia and data regarding their sources of funding, and also describes in detail specific investments of EU funds in all NPs in the Republic of Croatia. The research showed that the structure of funding in the NPs of Croatia changed significantly during the observed period, while the quality of tourist offer was improved to achieve sustainable tourism development. Funding received from the EU is used to implement economic, environmental and socio-cultural principles and indicators of sustainable tourism development, and at the same time, NPs remain attractive in the tourism market and attract visitors.

Keywords: *sources of funding for national parks, EU funds for national parks, tourism in national parks, sustainable tourism development, Croatia*

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INTRODUCTION

The official beginning of organized travel started in the mid-18th century. Since that period, the number of international tourist arrivals has increased, and in 2019, it reached 1.4 billion in the world (UNWTO, 2020; Čavlek et al., 2011). More than half of the world population lives in an urban area, and it is expected that that number is going to reach up to 68 per cent by 2050 (UN, 2018). The population of these large urban areas feels the need for an occasional escape to areas that are ecologically preserved, where they can experience authentic local lifestyle (CBI, 2020; Hendija & Marguš, 2007). Therefore, tourists mostly visit areas which have natural and anthropogenic resources which may not be found in generating areas. Protected areas (PAs) are gaining more

tourist visits. Among them, national parks (NPs) are very attractive for tourists, and they cover 26.6 per cent of all PAs (Taczanowska et al., 2019). Global trends in the tourism market show that national parks are attracting more and more tourists. Nature-based tourism, among all special interests of tourism, is constantly increasing and has a share of 20 per cent on the international tourism market (Metin, 2019). According to McNeely & Thorsell, nature-based tourism has the same meaning as ecotourism (McNeely & Thorsell, 1989). Nature-based tourism can be considered as tourism that provides tourists with united experience of education, recreation and adventure (Laarman & Durst, 1987), and at the same time, it is the type of tourism that has minimally negative effects on the environment, but highly positive socio-economic benefits (Lucas, 1982).

In most cases, protected areas are located in rural areas, so developing tourism can bring positive socio-economic effects for the local population and create better living conditions for them as well (Daneshpour, Pajouh, 2014; CBI, 2020). However, unplanned mass development of tourism could lead to deterioration in natural and social resources at tourist destinations (Kušen, 2002).

Nevertheless, every area is unique with its specific characteristics and should be considered while planning future long-term tourism development. On the global level, sustainable development should provide long-term development. The development of tourism in protected areas is even more challenging due to the fact that these areas represent and require the highest level of protection.

Croatia obtains most of its tourist visits in the Adriatic tourist region during the summer. Nevertheless, other parts of Croatia have numerous tourist resources that attract an increasing number of tourists as well. One of them are national parks (NPs) that attract more and more tourists each year. This is reflected by an increasing number of visitors in such areas, and consequently, as increased revenue from selling tickets consistent with such tourist traffic in Croatian national parks (NPs). Apart from their own income from tourism, NPs in Croatia are financed from various sources, such as the state budget and EU funds. Since Croatia became a full member of the EU in 2013, structural funds of the EU have, among other things, become available to national parks, primarily the Cohesion Fund, intended for funding public investments in transport infrastructure and environmental protection, as well as the European Regional Development Fund. The investment process in tourism is quite complex as it involves a large number of stakeholders who often have different interests (WWF, 2009). The focus of NP funding solely through a constant increase in the number of visitors can lead to over-tourism and thus to negative

consequences for socio-cultural and environmental sustainability. Nevertheless, economic sustainability, and thus socio-cultural and environmental, can be ensured by financing new projects through EU funds.

The purpose of the paper is to analyse the structure of funding sources for NPs in Croatia from 2014 to 2018. It aims to prove a trend of increasing revenues earned by national parks in Croatia, resulting in reduced reliance on the state budget and increased reliance on other sources of funding, tourism revenues and, in particular, EU funds.

The paper analyses financial plans of all eight national parks in Croatia and data regarding their sources of funding, and also describes in detail specific investments of EU funds in all NPs in the Republic of Croatia. The research showed that the structure of funding in the national parks of Croatia changed significantly during the observed period, while the quality of tourist offer improved to achieve sustainable tourism development.

METHODOLOGY

In this paper, secondary data sources were used. In the field of tourism, the main data sources were of the Ministry of Tourism of the Republic of Croatia and the World Tourism Organization (UNWTO) for international tourism. For the area of financing NPs in Croatia, the following were used: data from financial plans of NPs in Croatia, data from European structural funds, and data from investment funds from the Croatian Ministry of Regional Development. In the field of sustainable tourism development, scientific papers on the implementation of sustainable tourism development indicators and sustainable tourism investments have been researched. The short period of analysed financial data of NPs in Croatia is the main limitation of this research because Croatia became a part of the EU only in 2013. Therefore, it would be good to research the ending of EU structural funding in the next period, from 2021 to 2027.

SUSTAINABILITY CHALLENGES IN TOURISM DEVELOPMENT IN NATIONAL PARKS

Since the 1960s, people have become more aware of environmental degradation worldwide. The ecological deficit was first noticed in the 1970s, and it is nowadays most visible in urban areas (Bučar, 2017; WWF, 2009; Brown & Tomson, 2008). In 1987, the concept of sustainable development was pre-

sented for first time in the Brundtland report (WCED, 1987). In that period, a significant increase in tourist arrivals was recorded in the international tourism market (UNWTO, 2020). This increase in tourist trends in the world has caused many positive changes (income from tourism, employment...). However, many negative effects of tourism have become visible (waste, water pollution, crowds, noise...) where tourism makes intensive use of space. More attention in tourism is paid to preserving tourist areas from over-tourism (Pešutić & Bučar, 2008). And to prevent this situation, the concept of sustainable development has been implemented in tourism as “the sustainable development of tourism implies the satisfaction of tourist needs and the needs of the local population, without diminishing the possibilities for future development” (WTO, 1998). According to Inskeep, “the aim of sustainable development in tourism is to provide a high quality of experience for tourists but also to bring economic benefits to local businesses at tourist destinations, improve quality of life for local populations and to develop better awareness of the importance of protecting both natural and cultural resources” (Inskeep, 1991). On the international level, UNWTO in cooperation with the Global Sustainable Tourism Council (GSTC) in 2007 established recommendations and standards for sustainable tourism on two levels – for the tourist industry and for the tourist destination managers (GSTC, 2020). However, such general standards are often inapplicable at the level of tourist destinations as each of them is specific. In order to improve the implementation of sustainability principles, indicators of sustainable tourism development have emerged. Indicators should make it possible to implement the principle of sustainability into practice, but in order to do so, they must be simple and directionally clear, and it is necessary for existing indicators to be capable of supplying information (Torres-Delgado & Saarinen, 2013). In this direction, in 2004, UNWTO published a set of indicators together with numerous profuse information on their practical implementation in the document “A Guidebook – Indicators of Sustainable Development for Tourist Destinations” (WTO, 2004). On the European level, the European Commission in 2013 launched a management tool called the European Tourism Indicators System (ETIS) with 27 core and 40 optional indicators which could help managers apply principles of sustainability into tourism practice (EC, 2016; Eurostat, 2020). Indicators are considered a tool which could help destination managers make decisions (WTO, 2004). The biggest challenges in their implementation lie in the fact that each tourist destination is different regarding its specific features and due to the fact that it needs to find its own model of long-term sustainable development (Bučar, 2017). At the same time, indicators of sustainable tourism development are not specifically developed for PAs. It is

easiest to monitor and implement economic sustainability indicators because most available data refers to them, while it is much more complex to implement socio-cultural and environmental sustainability indicators for which it is necessary to conduct special research for each tourist destination in order to obtain the data (Hughes, et al., 2009).

The continuously increasing number of visitors in NPs represents a massive impact on sensitive resources in terms of overcrowding, pollution, wildlife disturbance and overdevelopment (Marković Vukadin, et al., 2013; Hvenegaard, 1994). Negative impacts of tourism development in NPs could be avoided by implementing environmental indicators of sustainability. In this category, UNWTO lists 5 main indicators and within them 17 sub-indicators, while ETIS has 7 main indicators in this category with a total of 17 sub-indicators, the main being energy usage, water management, sewage treatment, solid waste management, air pollution, reducing transport impact, landscape and biodiversity management, etc. (WTO, 2004; EC, 2016). Kožić and Mikulić pointed out that constant and proper implementation of environmental indicators can ensure sustainable tourism development (Kožić & Mikulić, 2011).

Socio-cultural sustainability principles are often neglected during the implementation of sustainability in protected areas (Marković Vukadin, et al., 2013). There are numerous indicators for socio-cultural principles of sustainable tourism development. By UNWTO, there are 5 main indicators and 13 sub-indicators, while ETIS has put 5 main indicators with 13 sub-indicators in this group, where the main indicators are: the number of tourists per 100 residents, benefits for local economy, the percentage of the destination's events that are focused on traditional/local culture and heritage, the percentage of residents satisfied with the impacts of tourism on the destination's identity, etc. (EC, 2016; WTO, 2004).

The development of tourism in a NP, in addition to encouraging additional protection of biodiversity and improving the standard of the local population, can also generate a number of economic effects arising from tourism activities and services (Gurung, 2010). Tourism in a PA can be a significant source of income for the local population through the creation of additional places of employment (World Bank, 2015). Local residents often perceive tourism as an instrument to help them improve their standard of living (Newsome, et al, 2002). Economic sustainability indicators are easiest to monitor because they are easiest to get to, and UNWTO grouped them into 3 main groups and 16 sub-indicators while ETIS created 4 main groups of indicators and 10 sub-indicators, which are: tourism flow (volume & value) at the destination, relative contribution of tourism to the destination's economy (per cent of GDP), long-

term profitability, business cooperation, employment (per cent of jobs in tourism that are seasonal), etc. (WTO, 2004; EC, 2016). Although they are easiest to monitor, economic indicators of sustainable development should not be a guide in tourism development planning because uncontrolled tourist valorisation of NPs can lead to devastation of tourist resources (Krajinović, 2015). Therefore, cooperation between stakeholders is crucial for tourism development on principles of sustainability in this process (McComb et al., 2016). Tourism could provide economic growth for the local population, however, if it is not properly planned and regulated, it could have negative environmental and social impacts (WWF, 2009). In this process, sustainable financing could have crucial importance. Sustainable financing could be defined as “any form of financial service integrating environmental, social and governance (ESG) criteria into the business or investment decisions for the lasting benefit of both clients and society at large” (Swiss Sustainable Finance, 2020). According to the European Commission (EC), sustainable financing is a process which takes into account environmental criteria (climate change mitigation and adaptation, preservation of biodiversity, pollution prevention and circular economy), social criteria (refer to issues of inequality, inclusiveness, labour relations, investment in human capital and communities, as well as human rights issues) and governance (ESG) (private institutions, management structures, employee relations) by making investment decisions which will provide sustainable economic activities and projects (EC, 2020). WWF gave recommendations for sustainable tourism investments: (i) development of clear and sustainable tourism product; (ii) strict protection of tourist resources; (iii) investment planning; (iiii) ensuring resources for proper monitoring (WWF, 2009). Tourism has an important role in the world economy, and it could have an important role in the process of encouraging public and private investments in responsible and sustainable tourism practices, such as projects in energy-efficient transition, water and waste management, protecting biodiversity and protecting cultural heritage (OECD, 2018). Investments in tourism represent almost 10 per cent of the total investment value worldwide (SHIFT, 2010). Sources for sustainable financing in tourism can be provided from different sources, in the past, funding opportunities for a company in the tourism sector have been limited (United Nations Environment, 2017). Investments in tourism are determined by different variables such as: global trends, market data, investment process, government policy and future development strategies (World Bank, 2013). NPs are those tourist destinations in which sustainable financing should be implemented to achieve long-term sustainable tourism development and to preserve these most sensitive areas of nature for future visitors.

THE ROLE OF FINANCING IN SUSTAINABLE DEVELOPMENT OF NPS – THE CASE OF CROATIA

Croatia is a middle-size country located in Southern Europe, with access to the Adriatic Sea and belongs to the group of Mediterranean countries. The modern era of tourism development in Croatia started in the 1950s, and at that time, the main reason most tourists visited Croatia was the Mediterranean climate and the Adriatic Sea (Bučar et al., 2018). In 2019, Croatia recorded 19.5 million tourist arrivals and 93 million tourists' overnight stays, with 93 per cent of all tourist overnight stays located in the Adriatic tourist region of Croatia, 84 per cent of tourist movement made in the four summer months only, and 93 per cent of overnights generated by international tourists (Hendija et al., 2020). However, in recent years, Croatia has been attracting more and more tourists to its continental part, with a significant share of protected areas (Ministarstvo turizma Republike Hrvatske, 2013). A total of 8.5 per cent of the area of Croatia are protected areas where NPs cover 1.1 per cent of the area of Croatia (Ministry of Tourism of the Republic of Croatia, 2020). There is a total of 8 NPs in Croatia, of which Plitvice Lakes NP is the oldest (declared in 1949), and Northern Velebit NP the most recent (declared in 1999). All NPs are located in rural areas and can, through tourism development, play a significant role in socio-economic effects of tourism.

Table 1: Number of visitors in NPs in Croatia, 2014–2019

National park	2014	2015	2016	2017	2018	2019
Paklenica	122,189	119,686	127,848	140,561	144,624	144,681
Mljet	100,787	112,156	126,699	140,329	145,751	148,395
Kornati	105,000	115,000	165,200	229,061	237,435	242,321
Brijuni	153,086	160,010	181,560	169,299	171,794	152,522
Krka	804,411	951,106	951,106	1,284,723	1,354,802	1,364,000
Plitvice Lakes	1,184,449	1,357,304	1,357,304	1,720,331	1,796,670	1,771,523
Risnjak	11,338	12,715	12,715	16,575	16,816	31,074
Northern Velebit	14,360	16,471	16,913	22,919	30,638	21,636
TOTAL	2,495,620	2,844,448	2,939,345	3,723,798	3,898,530	3,876,152

Source: Ministry of Tourism, Republic of Croatia, 2020

NPs in Croatia are recording an increasing number of tourist visits, so they attracted 2,495,620 visitors in 2014 and 3,876,152 in 2019 (Table 1). The most significant increase in the number of tourist visits was recorded in 2017 when

the growth compared to the previous year was as high as 20 per cent. (Table 1). At the same time, the number of protected natural areas is increasing. The study conducted by the Institute of Tourism Zagreb confirmed the trend of increasing visits to protected natural areas in Croatia. According to their research, in 2017, every fifth tourist (21 per cent) during their stay in Croatia visited one of the protected areas, and in 2019 almost every third tourist (28 per cent) in Croatia engaged in this activity, after going to restaurants and visiting cities (Tomas Ijeto, 2018; Tomas Hrvatska, 2020).

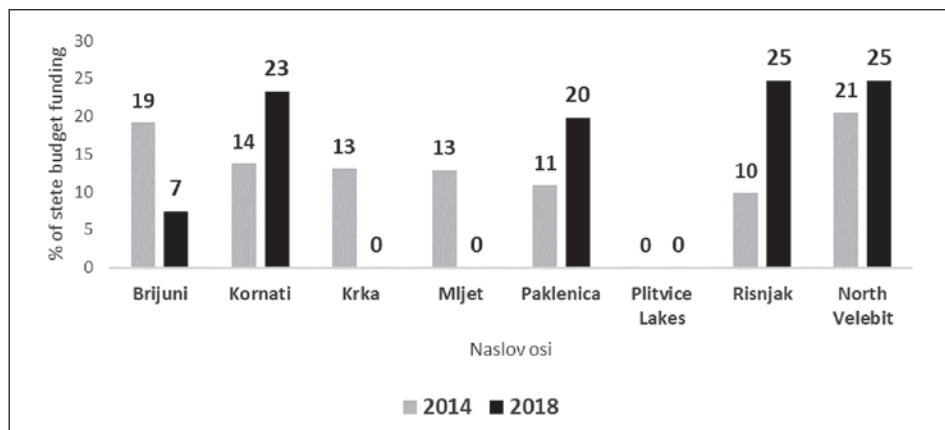
The most successful NP in Croatia is Plitvice Lakes, which recorded 316,710 tourist visits in 1997 (Vidaković, 2003) and 1,771,523 in 2019 (Table 1), which is a five-time increase in that period. Plitvice Lakes NP has a total of 46 per cent of all recorded visitors of NPs in Croatia, while Krka NP has close to 35 per cent. These two NPs thus recorded 81 per cent of all visitors, although they only cover 19 per cent of the total surface area of NPs in Croatia (Table 1). Such a situation of constant and significant increase in the number of tourist visits to National Parks has led to over-tourism in NPs Plitvice Lakes and Krka. Even UNESCO issued a warning to Plitvice Lakes NP that it could be removed from the World Heritage List and lose the status of a protected natural heritage site (Hina, 2018). This is the reason for the reduced number of tourist visits to Plitvice Lakes NP in 2019, which introduced carrying capacity and limited the number of visitors to reduce the negative effects of over-tourism.

Managing a tourist destination is a complex process because when planning the development of tourism, all its specifics should be considered. The management of NPs is additionally demanding because it is primarily necessary to preserve biodiversity and balance economic, ecological and socio-cultural principles of sustainable development. In order to achieve economic sustainability of NPs, it is necessary to analyse the current situation and elaborate measures to achieve the set goals. In order for national parks to ensure sustainable financing in the long run, they need to implement a quality planning process and a choice of allocation of different sources of funds in their financial plans (Bajo, 2006).

In the initial years of their establishment, national parks in Croatia were financed exclusively through their own revenues and budget funds. Such a system of financing of NPs was established in 1980 by the Nature Protection Act of the Republic of Croatia (OG, 2013) which prescribed that funds for the protection of natural sites of national and international importance in the area of NPs can be provided from the state budget and partly from own funds. The amendment to the Act in 2013 established that NPs' own funds can be generated by selling tickets and excursions, selling souvenirs, from fees for concession

approvals related to the use of natural resources and protected natural values, etc. (OG, 2013).

Figure 1: Share of the state budget funding of NPs in Croatia in 2014 and 2018



Source: Financial plans of NPs in Croatia, 2014-2018

NP management funding worldwide increasingly shifts from government grants to park tourism fees, including: entrance fee, recreation services fee, special events and special services, accommodation, equipment rental, food sales and sales of other goods (clothing, books, crafts, etc.), contractual agreements with concessionaires, licensing of intellectual property, etc. (Eagles & McCool, 2002). The same situation is in the system of financing NPs in Croatia, where NPs in the period from 2014 to 2018 were financed mostly from own and assigned revenues with more than 91 per cent (Table 2). In the analysed period, budget funds for financing national parks were annually reduced by 45.5 per cent (Financial plans of NPs in Croatia, 2014-2018). Thus, in 2014, the total portion of state budget funds in the financial plans of NPs was 4.55 per cent, while in 2017 it was reduced to 1.58 (Financial plans of eight NPs). The largest portion of funds financed from the state budget in the total financial plan of each NP is used by those NPs that record the lowest tourist visits (Chart 1; Table 1), such as NPs Risnjak, Northern Velebit and Paklenica. The exception is NP Kornati, which in 2014 and 2018 recorded a high portion of funding from the state budget.

Table 2: Sources of funding for NPs in Croatia, 2014-2018

	Structure of NPs funding in HRK						Share in %					
	2014	2015	2016	2017	2018	2019	2014	2015	2016	2017	2018	2019
EU funding	0	1,738,677	9,266,194	6,445,933	11,482,730	31,112,172	0.0	0.4	1.9	1.2	1.6	4.3
Own revenues	358,829,133	411,571,613	446,021,698	516,294,704	669,337,511	673,059,029	91.0	92.5	92.3	93.1	97.0	93.6
State budget funding	35,393,811	31,849,905	27,853,937	31,922,233	9,510,363	14,801,420	9.0	7.1	5.8	5.7	1.4	2.1
TOTAL	394,222,944	445,160,195	483,141,829	554,662,870	690,330,604	718,972,621	100.0	100.0	100.0	100.0	100.0	100.0

Source: Financial plans of NPs in Croatia, 2014-2018

Since Croatia's accession to the EU on 1 July 2013, NPs can draw funding from domestic and international organizations and funds (donations from the Environmental Protection and Energy Efficiency Fund, loans from the World Bank and European Union funds) (OG, 2013). Environmental policy at the EU level is implemented within the Cohesion Policy through EU funds: the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF). The European Commission, through various programs, offers many possibilities for obtaining grants for the purpose of environmental protection. After Croatia's accession to the EU, 2.6 billion euros were made available from the European Cohesion Fund to the Republic of Croatia for the programming period 2014–2020 (Croatian Ministry of Regional Development and EU Funds, 2020). Money drawn from EU funds has not had a significant share in the financing of national parks in Croatia since its accession to the EU until 2020. However, investments in NPs from EU funds show that they are mainly invested in infrastructure intended for NP visitors. The exception is Plitvice Lakes NP, where investments are made in infrastructure that should mitigate negative environmental impacts of tourism, but also improve the quality of the local population within the NP itself, as well as in the surrounding areas.

Numerous grant agreements have been concluded as a part of EU funds, the most important of which are the following (Croatian Ministry of Regional Development and EU Funds, 2020; Starešinić, 2019):

- Brijuni NP: € 4.29 million – project for renovation of buildings and walking trails for the needs of visitors, education of employees and procurement of tourist boats in the NP;
- Kornati NP: € 6.56 million – project for the construction of a house of education for visitors and the construction of a dock for ships in the Kornati NP;
- Krka NP: € 11.20 million – project for the electrification of a part of the ship traffic of the NP, renovation and construction of facilities and con-

struction of “Centre Lozovac” for visitors with children’s playgrounds, a green island and a lookout;

- Paklenica NP: € 3.01 million – project for the construction of a visitor centre and the purchase of an electric train for visitor transport to the NP;
- Northern Velebit NP: € 2.60 million – project for the construction of an educational centre for visitors at the destination Krasno (sanctuary for bears);
- Plitvica Lakes NP: € 29.52 million – project for the reconstruction of water structures and construction of a wastewater treatment system within the NP.

Such investments in the NPs, focused mainly on the construction of infrastructure for visitors, are of great importance because at the same time they raise the quality of tourist services, but are also aimed at preserving biodiversity. It is even more important because at the level of the EU ecosystems and biodiversity, they remain strongly affected by human activities (Eurostat, 2020). At the same time, tourists behave more responsibly during their tourist travels, and it is increasingly important to them that their visit contributes to positive changes in environmental protection (King-Chan et al., 2020). Tourist destinations which develop under sustainable principles and protect the environment are more likely to benefit from European travellers (CBI, 2020). 87 per cent of travellers want their travel to be based on the principles of sustainability (Statista, 2020). However, it should not be forgotten that NPs generate a major impact on local communities and that the local population has an important role in protected area management (Gurung, 2010; Fortin & Gagnon, 1999). The level of community support can directly influence how governments choose to invest in their regions and the emphasis they place on tourism as a development opportunity (Hughes, et al., 2009).

Investments from EU funds in Croatia’ NPs were directed into the construction of tourist infrastructure, but also in the education of employees or the local population which leads to better living conditions for the local population, but could also prevent over-tourism.

DISCUSSION

Tourism is a complex system within a national economy that results in numerous socio-economic effects. There is a strong potential to make a relationship between tourists who are keen to experience the natural environment and

to support the environment, and managers who seek to attract visitors to provide financial revenues, but this could cause degradation of biodiversity (Wolf et al., 2019). The economic sustainability of NPs implies the ability of the management to ensure ecological, socio-cultural and economic long-term sustainability of NPs through the improvement of the tourist product (Starešinić, 2019). Therefore, there is a constant concern that the principles of sustainability will not be evenly implemented, so it is necessary to implement a holistic approach to tourism development in this process in order to archive this goal (Torres-Delgado & Saarinen, 2013). Implementing sustainable development indicators in planning future development can help managers facilitate decision-making and implement sustainability at all levels at a tourist destination (WTO, 2004). At the same time, an additional and more detailed elaboration of indicators of sustainable tourism development would certainly be necessary, especially for NPs and other PAs (Tudorache et al., 2017).

In long-term development planning, it is imperative to carefully plan and create a specific, quality and sustainable tourism product. Successful planning should include a clear plan with a time frame for implementation, elaborated implementation steps, clearly indicated social benefits with constant encouragement of public participation. Furthermore, the implementation process should also strengthen relations of all stakeholders (PATA, 2020), ensuring community commitment and building support.

Certainly, the way of financing national parks also plays an important role in this process. If NPs are focused exclusively on their own financing, a situation will probably emerge in which an increase in the number of tourist visits is the only measure of development. In this case, over-tourism can occur very easily, resulting in the negative impacts of tourism outweighing the positive ones. Financing of NPs through various EU funds intended for financing various projects, and the economic effects observed as a result of sustainable tourism management are reflected in different areas and as such make the final effect on the entire economy.

CONCLUSION

In the international tourist market, the number of tourist arrivals is increasing from year to year, with the number of visits to protected areas of nature, including national parks, growing especially dynamically. Such a trend was also observed in Croatia. For years, NPs in Croatia have been financed exclusively by government funds and to a much lesser extent by their own revenues, mostly

from the tourism business. Since 2013, NPs in Croatia have shown a trend of reducing the dependence of NPs on financial assistance from the Government and using various EU funds as well as their own higher revenues, generated thanks to more visitors, for their financing. Most EU funds were used for qualitative improvement of the tourist offer of NPs and infrastructural improvements, thus contributing to increasing the attractiveness of NPs in the tourism market. The management of NPs should be based on sustainable financing, and various sources of financing should be incorporated into financial plans. To ensure sustainable financing, NPs in Croatia should implement a quality planning process into their financial plans. In that way, they could reduce the dependence on state funding and their own revenues. By increasing revenue by increasing the number of visitors, one enters a vicious circle of business where a larger number of visitors necessarily requires a larger number of employees, higher investments in maintenance and similar increased costs. The most important question arises before the management of NPs: at which point the growth of tourism should be stopped to ensure long-term development and sustainability of national parks?

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