

Islamic Republic of Iran
Organization for investment economic and technical assistance of Iran

"Summary of technical-economical prefeasible study"

The name:

Weis al-Qarani Tourism Complex, Ravansar

Sector: **Tourism** subsector: **Tourism** ISIC code: **5520**

The owner of:

**General Directorate of Economic and Financial Affairs of
Kermanshah Province**

Counselor plan:

Razi University of Kermanshah

The ADDRESS:

Ravansar, Kermanshah Province

Date of P.F.S:

August 2024

**Manager of Iran Investment Opportunities
SHAHRIG Engineering Company**

shahrig.comwww.



Contents

1- Abstract	2
2- Project's location	4
2-1- Province.....	4
2-2- the County	6
2-3- the project.....	6
2-4- access to the infrastructures.....	7
3-Technical Specifications of plan.....	7
3-1– product.....	7
3-2- project's requirements.....	10
3-2-1-Space and infrastructure required	10
3-2-2-Equipment and machinery	11
3-2-3- Raw materials and intermediate components	13
3-2-4-management and human resources	14
4 - Ownership and legal permission.....	15
4-1- ownership of land.....	15
4-2- Intellectual property and incentives	15
4-3- legal permission.....	16
5-Market study and Competition.....	17
5-1- Introduce target market	18
6- Physical Progress of project	18
7- Action plan and Implementation schedule	20
8- Financial projection	21
8-1- The cost estimate.....	21
The cost estimate.....	21
8-2- Estimated revenues.....	22
8-3-Duration of project operation	23
8-4-Break- even analysis.....	23
8-5- Cost-benefit analysis	23
8-6- Sensitivity analysis of IRR.....	23
8-7- Summarize table.....	24
8-8-Estimation of exchange rate changes during the project implementation.....	24
9 - Capital needs, the supply and guarantees method	26
9-1- Foreign currency needed	26
9-2- The Way of participation and finance method	26
9-3- Payback period	28
10- Incentives, features and advantages of project	29

1- Abstract:

PROJECT PROFILE - SUMMARY SHEET

Project Introduction	
1- Project title : Vais Al-Qarni Tourist Complex, Ravansar	
2- Sector: tourism	Sub Sector: tourism
3- Products / Services: Ecotourism, Entertainment, Accommodation services	
4- location (address)	
Free Zone <input type="checkbox"/> Economic Special Zone <input type="checkbox"/> Industrial Estate <input type="checkbox"/> Main Land <input checked="" type="checkbox"/>	
5- Project description: <p>The project involves the construction and equipping of a collection of 20 single-story traditional and native villa cabins, a traditional dining area, a restaurant garden, and related facilities, including a crafts and traditional customs booth, a historical and traditional photography studio, a traditional medicine unit, and more. These facilities will be designed to host cultural, recreational, and relaxation events and activities.</p> <p>These amenities will be located in the Vis Ghorni tourism area of Ravansar, Kermanshah Province, on a site of 6,000 square meters, with a built-up area of 1,200 square meters, a 500 square meter private parking lot, a 1,300 square meter playground and children's educational area, 3,000 square meters of green space, and 10 pavilions with family seating areas and appropriate infrastructure. They will be designed to have minimal impact on the natural and social environment, adhering to environmental sustainability principles.</p> <p>The key objectives of this project include increasing the annual capacity for accepting tourists to 20,000, enhancing the quality of tourism services, and strengthening cooperation with the local community, among others.</p> <p>Given the unique characteristics of the area, including its geographical, cultural, and historical features such as stunning natural landscapes, valuable cultural and historical sites, and rich local traditions, the project is capable of providing tourists with an unparalleled experience of nature and local culture.</p> <p>Additionally, the project is designed to promote sustainable tourism and improve local living conditions. It aims to achieve its goals through key strategies such as developing appropriate infrastructure, training local human resources, and promoting sustainable tourism. With this approach, the project seeks to create a positive and lasting impact on the local economy and environmental conservation.</p>	
Project Status	
6- Local / internal raw material access: 90%	
7- Sale : - Anticipated local market : 70% - Anticipated export market : 30%	
8 – Project total time (from start of activities to start of commercial operation in years) : 18 months	
Schedule	Start of activities: Month 1 to 4 (4 months) Start of works at site : Month 5 to 10 (6 months) End of Works: Month 11 to 14 (4 months) Start of commercial operation: Month 15 to 18 (4 months)

9- Project status :

- Feasibility study available? Yes No
- Required land provided? Yes No
- Legal permissions (establishment license·foreign currency quota·environment·etc) taken? Yes No
- Partnership agreement concluding with local /foreign investor? Yes No
- Financing agreement concluding? Yes No
- Agreement with local /foreign contractor(s) concluding? Yes No
- Infrastructural utilities (electricity water supply·telecommunication·fuel·road·etc) procured? Yes No
- List of know- how·machinery·equipment·as well as seller /builder companies defined? Yes No
- Purchases agreement machinery·equipment and know-how concluded? Yes No

Financial Table

10- Financial structure :

Descriptions	Local Currency Required			Foreign Currency Required Million Euro	Total Million Euro
	Million Rials	Rate	Equivalent in Million Euro		
Fix Capital	698177	500000 Rial	1.40	-	1.40
Current Capital	95866	500000 Rial	0.19	-	0.19
Total Investment	794043	500000 Rial	1.59	-	1.59

- Value of foreign equipment / machinery - Million Euro
- Value of local equipment / machinery 0.14 Million Euro
- Value of foreign technical know-how - Million Euro
- Value of local technical know-how - Million Euro
- Net present value (NPV) 1.14 Million Euro
- Internal Rate of Return (IRR) 87.72 %
- Capital Rate of Return: 49 %
- Payback Period 2 years,7 months and 20 days

General Information

11 - Project type: Establishment ☒ Expansion and completion ☐

12- Company Profile

- Name (Legal / Natural persons): Cultural heritage, handicrafts and tourism
- Company's current activities: Government services
- Address: Shahid Beheshti Boulevard, next to Shahed Park, Cultural Heritage Street, General Directorate of Cultural Heritage, Handicrafts and Tourism of Kermanshah Province - Postal Code: 6715875377
- Tel: 08338380046 Fax: 08338367401
- E-mail: Web Site: <https://kermanshah.mc.th.ir/>
- Company's legal structure:
 - Government ☒ Non-Governmental ☐ Public non-governmental ☐

2. Project's location:

2-1- Province:



Kermanshah Province is a mountainous region in western Iran, covering an area of 25,900 square kilometers and sharing a 370-kilometer border with Iraq. It is bordered to the north by Kurdistan Province, to the south by Lorestan and Ilam Provinces, to the east by Hamadan Province, and to the west by Iraq. The provincial capital is Kermanshah city, and the province currently consists of 14 counties, 21 cities, 31 districts, 86 rural districts, and 2,793 inhabited villages, with a population of about 2 million people. Kermanshah is strategically positioned on the main east-west and northwest-south routes of the country, making it a key transit

corridor for goods and services to Iraq and for pilgrims traveling to holy sites in Iraq, with close proximity to major economic centers in Iran.

Due to its geographic location within the Zagros mountain range, Kermanshah experiences a variety of climates, earning it the nickname "the four-season province."

Kermanshah's extensive border with Iraq provides convenient access to land and air routes, and it boasts numerous technical and vocational training centers. It has a road network of 2,796 kilometers, is located along the Silk Road, and serves as a major healthcare and medical education hub for western Iran. The province also benefits from connections to the western railway line from Arak to Kermanshah and is home to key infrastructures, such as the Kermanshah Refinery, Bistoon Power Plant, oil and gas reserves, and the Shahid Ashrafi Esfahani International Airport (the largest airport in western Iran). Additionally, it offers opportunities for exporting engineering and technical services to Iraq, particularly in power, dam construction, energy, and infrastructure sectors.

Kermanshah has a skilled and unemployed workforce, a favorable social and economic environment for attracting domestic and foreign investment, and promotes economic and trade activities with Iraq and the Kurdistan Region. It lies on a key transit axis between northwest and southern regions and supports religious tourism to Karbala, with millions of pilgrims passing through annually. The province also supports infrastructure needs, such as water, electricity, and gas, in its 23 industrial parks and zones.

The province hosts official customs facilities at Khosravi and Parviz Khan in Qasr-e Shirin and various trade hubs at Shushmi, Nosood, Sheikh Saleh in Thalab Babajani, and Sumar. It has significant ecotourism potential due to its diverse climate, forests, and flora and fauna. Other notable features include the Qasr-e Shirin Free Trade-Industrial Zone, the Eslamabad-e Gharb Special Economic Zone, the western railway connecting to Iraq and Syria, and eight operational dams with a total capacity of 832 million cubic meters. These attributes position Kermanshah as a province with vast economic, industrial, and tourism potential.

Kermanshah Province possesses significant industrial and mineral capabilities, including major industries such as the Bistoon Petrochemical Plant, Kermanshah Petrochemical Plant, Jahan Foad Gharb Steel Mill, Saman Cement, West Cement, the propylene production project, and the Kermanshah Refinery.

The region is also rich in natural resources, with substantial reserves of oil and natural gas, various building material quarries (such as decorative stone, gypsum, rubble stone, and lime), and both metallic and non-metallic mineral deposits, including iron ore, silica, and feldspar. The province has a plentiful labor force, skilled designers, and experienced professionals in hand-woven carpets. Additionally, Kermanshah is distinguished by its reserves of natural bitumen (gilsonite and bitumen) and its potential for processing and exporting these resources. The unique mineral reserves of non-metallic minerals and upstream industries set Kermanshah apart from other provinces in western Iran.

The province's agricultural and livestock sector is also highly developed, with 22 storage dams and 9 billion cubic meters of water resources, 946,871 hectares of farmland (227,500 hectares of which are irrigated), 208 medicinal plant species, an average annual rainfall of 537 mm, 9,258,711 hectares of rangeland, and 527,404 hectares of forest. It supports the production of 20,281 tons of canola, 477,910 tons of wheat, 326,000 tons of barley, 208 tons of oilseed sunflowers, and 14,903 tons of sunflower seeds for nuts. There are also 1,038 industrial and semi-industrial units in livestock, dairy, and poultry farming, with a livestock population of 2,971,153 sheep and goats and 300,519 cattle. These produce 120,405 tons of red meat, 36,450 tons of poultry, 83,955 tons of chicken, fish, and other products annually, along with 182 agricultural processing units.

Kermanshah boasts a rich historical and cultural heritage, ranking third in Iran for historical sites after Shiraz and Susa, with landmarks like Bisotun and Taq Bostan located within the major city of Kermanshah. The province has six tourist zones and 14 tourism hubs, featuring over 100 tourist sites, including Taq Bostan, the traditional bazaar, Jameh Mosque, Sarab Nilofar, and historical sites like the Ganj Dareh mound, Darius Inscription, Shah Abbasi Caravanserai, Anahita Temple, and scenic areas such as Sarab Darband in Sahneh, Rijab River, Yazdegerd Castle, Abu Dujana Tomb, Quri Qaleh Cave, Sarab Ravansar, Rijab Waterfall, and Hajij and Shamsir villages.

Kermanshah has international trade infrastructure, such as the Khosravi and Parviz Khan borders, and offers investment opportunities in health tourism. The province's numerous attractions include the globally registered Bisotun complex, Taq Bostan complex, Anahita Temple, Taq-e Gara, protected areas ideal for ecotourism focused on native flora and fauna, and architectural marvels like the Moaven al-Molk Tekyeh and Biglar Beigi Tekyeh. The rich cultural and ethnic diversity offers anthropological tourism potential, featuring local traditions, attire, lifestyles, dialects, customs, religion, and music, enabling the creation of cultural and heritage tours. Natural attractions support sports tourism, including paragliding, climbing at Simreh cliffs, dam reservoir water sports, caving, and mountaineering, as well as notable tourist sites like Sarab Karand and the Bisotun-Taq Bostan tourism corridor. Key villages, like Shamsir and Fash, serve as ideal rural tourism destinations, positioning Kermanshah as a prime region for tourism development.

2-2- the County:



Ravansar is one of the counties in the east of Kermanshah Province, home to nearly 50,000 people. It borders Kurdistan Province to the north, Javanrud County to the west, Kermanshah County to the east and south, and Dalahou County to the southwest. The inhabitants of Ravansar are Kurdish speakers. This county consists of two districts: the Central District, with Ravansar city as its center, and includes four rural districts: Badrehabad, Hasanabad, Dowlatabad, and Zaluabad; and Shahu District, which includes

the rural districts of Qouri Qaleh and Mansour Aghaei.

Ravansar is the closest county to the provincial capital, Kermanshah, and due to its scenic landscapes, water resources, and recreational spots, it attracts numerous tourists annually. The county boasts historical and tourist attractions such as the three Musa'i hills, the mausoleum of Weis al-Qarani, Qouri Qaleh Cave, Ravansar Rock-Cut Tomb (Kooshk), Kolian Cave, Sarab Javeri Cave, Sarab Ravansar, Kani Weyn Hill, Gorab River (Awi Kher), and the Qarasu River. The people of Ravansar hold sacred sites and religious events such as Eid al-Adha and Eid al-Fitr in high regard, composing many local poems for religious figures, and performing them collectively at festive and mourning ceremonies.

Local traditions and rituals include the Zamaowan (wedding) ceremony, Naowanian (naming) ceremony, and Aagrashayi (joyful fire) which is performed during Nowruz. Local delicacies in Ravansar include various types of bread like Saaji bread and Kalaneh, local cookies, and various types of soup such as noodle soup, yogurt soup, and Kashk soup. The music of Ravansar is traditional, with the most important instrument being the Shamsal, a wind instrument similar to the flute. Popular games and pastimes include Helleparke (dance), Gerzan (stick game), Topqar (a type of polo), and Jorab Bazi, often performed at weddings and celebrations.

The economy of Ravansar is primarily based on agriculture and livestock farming. The mines of Kermanshah Province are categorized into five mineral zones, with silica mines identified in the Javanrud-Ravansar zone. The only hand-stitched ball factory in Iran is located in Ravansar, exporting balls to 30 provinces and thousands of cities across Iran. Approximately 350,000 hand-stitched balls are produced annually in Ravansar, all made by local women and workers. The Ravansar Dairy and Milk Factory, which exports its products to most provinces and counties in Iran, employs numerous local workers. One of Iran's largest cattle farms is situated in Hasanabad, Ravansar. In recent years, the livestock and poultry industry has seen significant growth, making Ravansar one of the main suppliers of chicken meat in the province. Several industrial units in the Hasanabad Industrial Park employ many local youths.

2-3- the project:



The proposed location for the implementation of the Weis al-Qarani Tourism Complex project is suggested to be an area with suitable access to essential infrastructure such as water, electricity, gas, and transportation routes. This location aligns with environmental considerations and recommendations.

2-4-access to the infrastructures:

No.	Needed infrastructures	distance to the project	The supply infrastructures
1	water	Less than 5 kilometers	Regional Water Authority
2	electricity	Less than 5 kilometers	Provincial Electricity Distribution Company
3	gas	Less than 5 kilometers	Provincial Gas Company
4	Telecommunications	Less than 5 kilometers	Provincial Telecommunications Company
5	High way	Less than 20 kilometers	Ministry of Roads and Urban Development, Kermanshah
6	Sub way	Less than 5 kilometers	Ministry of Roads and Urban Development, Kermanshah
7	airport	40 kilometers	Shahid Ashrafi Airport, Kermanshah
8	port	1650 kilometers	Iranian Ports and Maritime Organization, Bandar Abbas
9	Rail way	40 kilometers	Iranian Railways, Arak (Kermanshah)

3- Technical Specifications of plan:

3-1 –product:

❖ Accommodation Services:

- **Eco-Lodges:** Staying in traditional and local houses with unique regional architecture, equipped with basic and modern amenities. These lodges offer rooms decorated with traditional designs and use local materials such as wood, stone, and clay to create a sense of authenticity and locality. They provide facilities like traditional beds, handmade local carpets, and pottery to enhance the local cultural experience. Special accommodation packages include local food, village tours, and cultural activities.
- **Camping and Tents:** Providing camping sites for nature enthusiasts and overnight stays in the open air with access to drinking water, sanitary facilities, and campfire spots. Equipped tents and camping gear are available for tourists.
- **Boutique Hotels:** Offering stays in uniquely designed rooms inspired by local architecture and culture. These hotels provide personalized services, including dedicated tourist guides, special recreational programs, and exclusive services for special guests.

❖ Recreational and Cultural Services:

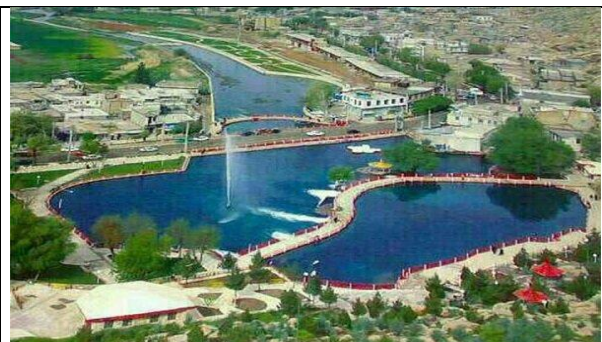
- **Local and Nature Tours:** Organizing walking tours in natural and historical areas with local guides knowledgeable about the region's culture and history. Educational programs about medicinal plants, birdwatching, and local wildlife, as well as boating activities in nearby rivers or lakes with safe and standard equipment, are available.
- **Cultural and Artistic Activities:** Creating workshops to learn local handicrafts such as carpet weaving, pottery, and making local musical instruments. Hosting cultural nights with local music and dances, as well as temporary and permanent art exhibitions to showcase and sell local artists' works.
- **Adventure Sports:** Providing services such as paragliding, mountain climbing, rock climbing, and similar activities.

❖ Welfare and Catering Services:

- **Local Restaurants:** Offering menus with local dishes like Dandeh Kebab, Kalaneh, Paghazeh soup, Shelm soup, yogurt soup, Haloze Aaw, pomegranate soup, Mashav, Torsha, noodle soup, Qeisi Ron, Patle, celery stew, rhubarb stew, peach stew, Dolma, Qesqun stew, raisin pilaf, Borani with celery and garlic, yogurt, and other traditional foods using organic and local ingredients to attract healthy food enthusiasts. These restaurants often have open terraces facing natural landscapes.

- **Cafes and Traditional Tea Houses:** Designing cozy spaces with traditional furniture, local rugs, and soft lighting, offering local teas, herbal infusions, and traditional sweets.
- **Local Products Stores:** Establishing stores to offer unique local souvenirs and products such as natural honey, Kermanshah oil, dried fruits, and handicrafts like carpets, various types of Giveh (colorful Giveh, Giveh with leather and fabric soles), wave weaving, Jajim weaving, metal tools, traditional musical instruments, copper engraving, marquetry, inlay, wood carving, knife making, felt making, embroidery, embossed carpet weaving, pottery, traditional design, dyeing, woodturning, latticework, fine woodworking, local clothing, sculpture, and more for tourists.
- ❖ **Educational and Awareness Services:**
 - **Workshops:** Offering training courses on the environment, sustainable agriculture, medicinal plant cultivation, and local activities like beekeeping, carpet weaving, and Giveh weaving.
 - **Tourist Information Center:** Providing detailed maps of walking and cycling routes, information about tourist attractions, maps, suggested programs, and guidance for visitors.
- ❖ **Transport and Access Services:**
 - **Intra-Regional Transport:** Shuttle and public transportation services for tourists within the Weis al-Qarani area.
 - **Bicycle Services:** Bicycle rentals and guides for tourists.
 - **Parking Facilities:** Creating appropriate and safe parking spaces for tourists, considering seasonal traffic volume.
- ❖ **Health and Safety Services:**
 - **Health Centers and First Aid:** Establishing small clinics or health centers for emergency services.
 - **Safety and Rescue Services:** Collaborating with local authorities to ensure and guarantee tourist safety in emergencies.
- ❖ **Commercial and Business Services:**
 - **Event Spaces:** Providing spaces for conferences, seminars, and festivals.
 - **Rental Services:** Renting camping gear, bicycles, boats, and other recreational equipment.
- ❖ **Environmental and Sustainable Services:**
 - **Environmental Conservation Programs:** Creating awareness and educational programs on environmental protection and sustainable development.
 - **Waste Management and Recycling Systems:** Establishing waste management, recycling, and reuse systems to reduce environmental impacts.
- ❖ **Digital and Innovation Services:**
 - **Mobile App or Interactive Website:** Designing an app or website with interactive maps, information about attractions, online booking, audio guides, and personalized recommendations.
 - **High-Speed Internet and Free Wi-Fi:** Providing internet access in public areas for tourists who need to stay connected online.
- ❖ **Special Services for Specific Groups:**
 - **Family and Children's Programs:** Creating suitable spaces and programs for children, such as playgrounds, temporary nurseries, and educational activities.
 - **Facilities for People with Disabilities:** Designing accessible facilities and special amenities for people with special needs.
 - **Programs for Retirees and Seniors:** Creating activities and services tailored to the needs of retirees and seniors, such as gentle walking paths and relaxation classes.
- ❖ **Health and Wellness Services:**
 - **Yoga and Meditation in Nature:** Organizing yoga, meditation, and calming exercise programs in open and natural spaces.

- **Spa and Massage Therapy:** Establishing a spa and massage therapy center using natural and local materials.
- **Healing Gardens:** Designing gardens with medicinal and soothing plants for visitors.
- ❖ **Travel Consultation and Planning Services:**
- **Custom Travel Consultation:** Providing personalized travel planning and consultation services based on tourists' needs and interests.
- **Local Guide Services:** Offering experienced local guides to provide comprehensive and up-to-date information about the area.
- ❖ **Seasonal and Festival Services:**
- **Local and Seasonal Festivals:** Organizing seasonal events and festivals like harvest festivals, local music festivals, and handicraft exhibitions.
- **Holiday and Weekend Programs:** Offering special programs to attract tourists during holidays and weekends.
- ❖ **Financial and Support Services:**
- **Electronic Payment Facilities:** Facilitating payments through bank cards, e-wallets, and digital currencies.
- **Travel Insurance and Emergency Services:** Providing travel insurance services to cover potential accidents and emergency needs.
- ❖ **Incentive and Loyalty Programs:**
- **Discount and Loyalty Programs:** Offering special discounts and rewards for regular and loyal customers.
- **Combination Packages:** Providing combination packages to attract different customer groups, including accommodation, recreational, and catering services.



3-2-project's requirements:

3-2-1-Space and infrastructure required:

A. Land:

The minimum required land is estimated to be 6000 square meters. Given the purchase price of 30 million IRR per square meter in the tourist area of Veis Garni, Ravansar, the total cost of land acquisition is estimated to be 1,800 billion IRR.

Land Area (square meters)	Unit Price (million IRR)	Total Price (million IRR)
6000	30	1800000

B. Landscaping:

No.	Title	Description	Area (square meters)	Unit Price (thousand IRR)	Total Cost (million IRR)
1	Leveling and Grading of the Land	Due to the natural unevenness of the land at the project site, this stage requires more sensitivity and precision.	Project Site	-	10000
2	Fencing and Wall Construction	Constructing a wall with natural materials, featuring an elegant and beautiful façade.	1500	3470	10400
3	Lighting Installation in the Area	Installation of decorative lighting fixtures in the project area.	-	-	1000
4	Green Space and Family Park - Green Landscaping	Green space covering 3000 square meters with the construction of 10 pavilions and all landscaping stages, including grass seeding, flower planting, sapling planting, beautification, and artistic lighting for tourists' recreation.	3000	-	50000
5	Children's Play and Environmental Education Area	Includes beautification, special play and recreation equipment for children, and the use of modern play equipment.	1300	-	
6	Parking Lot	A parking lot with sufficient capacity, including substructure works, division, installation of canopies, line markings, and necessary signage.	500	-	7600
Total					79000

C. Construction Costs:

No.	Title	Description	Built-up Area (square meters)
1	Eco-lodge Units	Traditional and local single-story cottages (20 units with a total built-up area of 600 square meters, each unit 30 sqm).	600
2	Traditional Dining Hall, Rural Café, and Related Units	Traditional roofed dining hall and rural café (traditional herbal tea house), a garden restaurant, and use of the natural surroundings of the site for local rural food preparation. Includes dining hall with kitchen, storage, and other facilities (180 sqm).	200
3	Handicraft and Traditional Customs Booth	A booth for introducing local customs and cultural traditions, as well as selling local handicrafts. Additionally, the use of local attire for men and women to preserve and promote valuable and beautiful traditional Iranian clothing.	200
4	Traditional and Historical Photography Studio	A traditional photography studio offering memorable photo sessions with local and historical costumes. The studio will have traditional décor and occupy a space of 50 square meters.	50
5	Traditional Medicine Unit	A traditional medicine and herbal medicine unit to introduce tourists to local and national traditional healing practices, with an area of 50 square meters.	50
6	Administrative and Welfare Building	Administrative and welfare building, including services and support for the complex, over two floors (100 square meters).	100
Total Built-up Area			1200 m ²
Total Cost			263,200 million IRR

D. Infrastructure and Utilities Costs:

No.	Title	Total Amount (Million IRR)
1	Electricity Supply Facilities: Includes the purchase of electrical rights, installation and commissioning of a ground transformer with a 10kW demand, and all operations related to the installation of main and secondary electrical panels, wiring, and network system installation. This includes trenching and concrete pouring, overcoming natural obstacles, using aluminum wire (70mm), copper cable (50*1) for grounding, and other components like transformer cables, protection devices, grounding systems, and wiring. Additionally, it includes the purchase and installation of emergency electrical panels, emergency generator systems, BMS, mechanical installations, and all associated electrical equipment for centralized control of the building's heating and lighting systems.	8000
2	Water Supply Facilities: Includes water supply system installation with necessary equipment, pumping system, storage tank, related piping, and wastewater treatment systems. Also includes the water treatment plant for adequate daily water supply.	10000
3	Cooling and Heating Systems: Includes installation of a 15-ton chiller, digital air-cooling system, 4-way fan coil units, and split AC systems in all buildings, cottages, and hallways.	3000
4	Firefighting and Fire Safety Systems: Includes all firefighting equipment, fire suppression tanks, and automatic fire alarm systems, along with pumps, hoses, and complete setup for independent and centralized firefighting operations.	2000
5	Fuel Supply Facilities (Diesel): Includes storage tanks, all necessary equipment, and necessary understructures for the fuel supply system.	1000
6	Telecommunications Facilities: Includes installation costs for communication devices, central telecommunication systems, and complete wiring for landline phones and network systems.	1000
7	CCTV and Smart Security System: Modern surveillance system with complete equipment, accessories, and related installations for security and monitoring.	3000
Total		28,000

3-2-2- Equipment and Machinery:

No.	Title	Quantity	Technical Specifications	Total Amount (Million IRR)
1	Safety Equipment, First Aid, and Health Room	Complete set	For safety operations and first aid, in accordance with current standards	1000
2	Equipment for Cottages in the Plan	Complete set	Designed to meet the needs of tourists for nature-based tourism	30000
3	Central Kitchen, Traditional Dining Hall, Restaurant, and Café Equipment	Complete set	For equipping the restaurant and café	20000
4	Welfare and Administrative Equipment	Complete set	All light and heavy equipment	3000
5	Handicraft Booths and Photography Studio Equipment	Complete set	Designed to meet the needs of tourists	5600
6	Children's Playground Equipment	One set	Designed to meet the needs of tourists	5000
7	Sports Equipment	Complete set	Designed to meet the needs of tourists	7000
Total				71,600

3-2-3- Raw Materials and Intermediate Parts:

For the implementation of the plan, the consumable raw materials depend on the infrastructure, services, and activities considered. These can include the following:

❖ **Food and Catering Materials:**

- **Local Agricultural and Animal Products:** Using fresh and local food materials like vegetables, fruits, dairy, meat, poultry, and traditional bread to prepare local dishes in restaurants.
- **Herbal Plants and Local Teas:** For offering local beverages in cafes and teahouses.

❖ **Daily Consumables:**

- **Hygiene and Cleaning Products:** Soaps, shampoos, disinfectants, and eco-friendly cleaning products.
- **Maintenance Tools and Equipment:** Hand tools for daily maintenance of the premises and equipment, such as brooms, dustpans, shovels, and gardening tools.

❖ **Accommodation Equipment and Supplies:**

- **Furniture and Interior Supplies:** Including beds, chairs, tables, rugs, and curtains with traditional designs and natural materials like wood, wicker, etc.
- **Bedding and Bathroom Equipment:** Mattresses, bed sheets, towels, and handmade, natural soaps.
- **Kitchen and Restaurant Equipment:** Clay pots, metal or copper cookware, and local cooking utensils.

❖ **Construction and Building Materials:**

- **Wood and Local Building Materials:** For constructing eco-lodges, cottages, and traditional structures, using wood and local materials like stone, native bricks, clay, and mud to preserve local identity and reduce transportation costs.
- **Natural Insulation Materials:** Such as sheep wool, clay, and plant fibers to maintain energy efficiency and thermal insulation in buildings.
- **Natural Paints and Coatings:** Using natural dyes and environmentally friendly coatings for painting and protecting structures.

❖ **Raw Materials for Leisure and Cultural Services:**

- **Adventure and Sports Equipment:** Such as ropes, safety belts, inflatable boats, bicycles, and equipment for adventure sports.
- **Handicraft Materials:** Materials for handicraft workshops, such as threads, fabrics, wood, metals, dyes, and other handmade materials.
- **Local Musical Instruments:** For use in cultural and artistic programs.

❖ **Raw Materials for Green Spaces and Landscaping:**

- **Native Plants and Local Trees:** Using native plants and local trees for landscaping and creating green spaces.
- **Soil, Fertilizers, and Organic Materials:** For planting and maintaining plants and trees in the project's grounds.
- **Landscaping Materials:** Such as gravel, sand, pebbles, decorative stones, and recycled materials for pathways and landscaping.

❖ **Raw Materials for Support Systems:**

- **Raw Materials for Water and Sewer Systems:** Pipes, tanks, water purification filters, and water recycling equipment.

❖ **Raw Materials for Advertising and Marketing:**

- **Brochure and Pamphlet Printing and Design:** Paper, ink, toner, and other promotional materials.
- **Digital Equipment:** Computers, tablets, and POS devices for managing reservation systems and marketing activities.

These raw materials and intermediates, which are abundantly available in the region where the project will be implemented (Kermanshah Province, Ravanser County), are vital for the successful execution of the plan. Proper selection and continuous supply of these materials are essential to ensure quality and productivity.

3-2-4-management and human resources:

Job Title		Number of Employees	Monthly Salary (Thousand IRR)	Annual Salary (Million IRR)
Administrative Section				
Management		1	240,000	2,880
Security and Support Services		5	160,000	9,600
Subtotal (Administrative Section)		6		12,480
Additional Costs:Employer's Insurance (23% Contribution)				2,870
Annual Bonus and Rewards (2 months salary)				2,080
Total (Administrative Section)				17,430
Executive Section				
Technical Supervisor		1	240,000	2,880
Skilled Workers		8	200,000	19,200
Subtotal (Executive Section)		9		22,080
Additional Costs:Employer's Insurance (23% Contribution)				5,078
Annual Bonus and Rewards (2 months salary)				3,680
Total (Executive Section)				30,838
Total		15		48,268
No.	Skill level	number	Salaries (wages)- (Rials)	
1	expert	2	240,000,000	
2	skilled	8	200,000,000	
3	non-skilled	5	160,000,000	

- Number of skilled personnel required: **8 persons**
- number of non- skilled personnel required: **5 persons**
- number of expert personnel required : **2 persons**

4- Ownership and legal permission:

4-1- ownership of land:

Given that the service unit is proposed in the tourist area of Veys al-Qarni in the city of Ravansar, the land ownership belongs to the Natural Resources Organization. The land is allocated to investors under a contract that supports the establishment of production and service units in underprivileged areas. The payment terms involve a partial upfront payment with the remainder payable in long-term installments. Upon obtaining an operational license, the title deed will be transferred to the unit.

4-2- Intellectual property and incentives:

Intellectual property (IP) rights are exclusive rights granted to individuals or organizations to protect their intellectual and intangible assets, such as inventions, industrial designs, utility models, trademarks, trade names, geographical indications, and copyrights. Registering intellectual property prevents the copying of ideas, products, and processes, allowing for competitive advantages. Strong intellectual property not only helps in enhancing brand value and product credibility but also can be attractive to investors. Revenue can be generated by licensing intellectual property to others. In establishing a tourism and ecotourism unit, this concept is crucial and can significantly impact the success and growth of the business. In the tourism and ecotourism industry, intellectual property is of great importance as a key factor for protecting innovations and intangible assets. Intellectual property in tourism and ecotourism goes beyond merely protecting intellectual assets; it is a strategic tool for sustainable development, preserving authenticity, and increasing added value. In this field, the more specialized aspects of intellectual property include protecting creative and economic elements associated with service delivery, unique experiences, and cultural and environmental values. More specifically, we can mention the following aspects:

❖ Brand Protection

- In tourism and ecotourism, a business's brand or logo can represent a unique experience that customers associate with. Registering a trademark protects the brand from copying. This is especially important in competitive markets where small businesses might face similar names. Registering and protecting a trademark nationally and internationally helps in business development and establishing global credibility.

❖ Industrial Designs Rights

- Tourism and ecotourism often involve special designs of structures and accommodations that blend with the natural environment and local culture. These specific designs in architecture, interior decoration, and sustainable structures can be registered as industrial designs. Registering industrial designs prevents domestic and international competitors from copying these innovative designs.

❖ Management of Traditional Knowledge and Geographical Indications

- Indigenous and traditional knowledge related to specific regions, such as crafts, foods, and local lifestyles, which are particularly noted in tourism and ecotourism, can be protected as geographical indications. This protection gives more credibility and value to products or services with cultural or geographical authenticity and helps prevent imitation in other regions.

❖ Copyright in Digital Content

- Tourism and ecotourism businesses often use creative digital content for marketing, including photos, videos, virtual tours, and promotional texts. These digital assets are protected under copyright laws. Protecting this content can prevent unauthorized use by competitors or third parties in their advertising campaigns or websites. In today's digital environments, copyright protection can be used strategically to maintain competitiveness.

❖ **Protection of Technological Innovations**

- If a tourism and ecotourism business uses new technologies to enhance tourist experiences, such as sustainable energy management systems, virtual tours, or mobile apps, these innovations can be protected by patents. This is particularly important when a unique innovation is used in service or technological processes, as it can create a competitive edge.

❖ **Licensing and Monetization of IP Assets**

- In tourism and ecotourism, intellectual property can become a source of income through licensing to others or franchising agreements. For example, an ecotourism company can license its brand, unique architecture, or designs to others, aiding regional and even international development. This strategy can be particularly effective in emerging markets and less developed regions.

❖ **Investment Rights**

- Attracting investors to tourism and ecotourism projects considers intellectual property as a valuable asset. Investors look for businesses with registered intellectual property, as this indicates innovation, credibility, and long-term business valuation. Having an effective intellectual property management system can create more appeal for investors and help in the financial and operational development of the business.

4-3-legal permission:

Establishing and operating a tourism and ecotourism unit in Ravansar, Kermanshah, requires obtaining several legal permits. These permits are issued by various organizations and authorities to ensure compliance with environmental, safety, technical, and other regulatory standards. The most important required permits include:

❖ **Construction Permit (Establishment License)**

- This permit is issued by the Kermanshah Provincial Directorate of Cultural Heritage, Tourism, and Handicrafts. To obtain this permit, it is necessary to provide a technical and economic feasibility plan, company registration documents, and other required documents.

❖ **Environmental Permit**

- This permit is issued by the Environmental Protection Organization. To obtain this permit, an Environmental Impact Assessment (EIA) of the project must be conducted, and the unit's waste management plan must be provided.

❖ **Safety and Health Permit**

- This permit is issued by the Kermanshah Provincial Directorate of Cooperatives, Labor, and Social Welfare. To obtain this permit, compliance with occupational safety and health standards in the unit is mandatory.

❖ **Fire Safety Permit**

- This permit is issued by the Fire Department. To obtain this permit, compliance with fire safety standards in the building and equipment of the unit is mandatory.

❖ **Electricity, Water, and Gas Permits**

- These permits are issued by the Electricity Distribution Company, the Water Affairs Organization, the Water and Wastewater Company, and the Gas Company of the province, respectively. To obtain these permits, precise calculations of electricity, water, and gas consumption and the implementation of related standards are mandatory.

❖ **Operation Permit**

- This permit is issued by the Kermanshah Provincial Directorate of Cultural Heritage, Tourism, and Handicrafts and the Housing Foundation. It indicates the legal authorization for operation.

5- Market study and Competition:

A comprehensive market and competition analysis in the tourism and ecotourism industry reveals significant opportunities for growth, alongside notable challenges such as environmental degradation and intense price competition. Successfully navigating these challenges and leveraging new technologies to enhance customer experiences are key to thriving in this competitive market. Thus, a thorough market and competition analysis in the tourism and ecotourism industry, considering the dynamic nature of this sector, requires a detailed examination of several critical factors outlined below:

❖ **Market Trends**

- **Growth in Demand for Sustainable Tourism and Ecotourism:** With increasing public awareness of environmental issues, the demand for green tourism and ecotourism has risen significantly.
- **Rise in the Use of Modern Technologies:** Digital tools and online booking platforms have facilitated the rapid growth of tourism by providing easier access to ecotourism services.
- **Shift Towards Personalized Experiences:** Tourists are seeking unique experiences tailored to their personal needs and interests.

❖ **Competition**

- **Local and International Competitors:** In the field of ecotourism, competition between local and international businesses has intensified. Well-known international destinations such as Iceland or Costa Rica, as well as pristine domestic destinations, are in competition.
- **Diverse Services and Experiences:** The variety of services and experiences offered by competitors, including nature tours, eco-lodges, and cultural activities, plays a crucial role in attracting customers.

❖ **Consumer Needs**

- **Focus on Sustainability and Environment:** Many consumers seek experiences that have the least negative impact on the environment.
- **Quality of Services and Safety:** Ecotourism is expected to be accompanied by quality infrastructure and assurance of traveler safety and well-being.
- **Access to Authentic Cultural Experiences:** Ecotourism often relies on local experiences and traditional cultures, and tourists seek close interactions with local communities.

❖ **Challenges**

- **Environmental Issues and Natural Resource Degradation:** With the rising demand for ecotourism, improper management can lead to the environmental degradation of tourist areas.
- **Inadequate Infrastructure:** Many ecotourism areas lack sufficient infrastructure to accommodate large numbers of tourists or to provide quality services.
- **Intense Price Competition:** Many businesses in the tourism industry rely on low prices to attract customers, which can affect profitability.

❖ **Opportunities**

- **Development of Advanced Technologies for Marketing and Customer Attraction:** Utilizing artificial intelligence, data mining, and big data analytics to better understand customer needs and provide personalized recommendations can create a competitive advantage.
- **Development of Strategic Partnerships:** Collaborating with other industry players, such as local communities, small and medium-sized enterprises, and even government entities, to offer more attractive experiences to customers.

- **Conservation of Natural Resources and Attraction of Eco-Conscious Tourists:** Ecotourism emphasizes the conservation of natural resources, which can be used as a significant tool to attract environmentally conscious tourists.

5-1- Introduce target market:

The target market in the tourism and ecotourism industry encompasses diverse groups of individuals and communities seeking unique experiences in natural, cultural, and environmental settings. To precisely define the target market, several key factors must be considered:

❖ Psychographic Segmentation

This segmentation is based on internal needs and individual values, typically determined by lifestyle and socio-cultural trends.

- **Eco-conscious Travelers:** These are often educated individuals aware of environmental and social issues. They seek destinations with a strong focus on environmental sustainability, minimizing negative impacts, and respecting local communities.
- **Wellness and Retreat Seekers:** These individuals primarily seek destinations that offer mental and physical wellness amenities, such as yoga, meditation, and health-focused activities. Ecotourism sites located in pristine natural areas, away from the stresses of urban life, are particularly attractive to this group.
- **Adventure Enthusiasts:** This group looks for thrilling and adventurous experiences in nature, such as hiking, trekking, rafting, and other challenging activities. These tourists often seek locations that offer high-risk activities in natural settings.

❖ Economic Segmentation

This segmentation is based on purchasing power and economic behavior.

- **Luxury Ecotourists:** This group prefers staying in luxurious eco-lodges that not only provide high-end services but also emphasize environmental conservation and the use of renewable energy. They seek exclusive and authentic experiences while respecting sustainable principles.
- **Budget Ecotourists:** This group seeks affordable experiences that allow for close interaction with nature. They often choose low-cost, eco-friendly travel options such as camping, renting local homes, or staying in simple eco-hostels.
- **Mid-tier Travelers:** These individuals seek quality experiences in ecotourism settings but are mindful of their expenses. They typically look for a balance between comfort and nature connection without requiring luxury experiences.

❖ Geographic Segmentation

- **International Tourists:** This group includes individuals from developed countries seeking unique experiences in pristine and less-known destinations. Many come from Europe, North America, Australia, and East Asian countries to ecotourism spots in developing countries. These tourists usually prefer less crowded and less touristy places that offer authentic experiences.
- **Domestic Tourists:** This category includes tourists looking for ecotourism experiences within their own country. They typically seek destinations near urban areas for ease of access, often favoring short trips ranging from one to three days.

❖ Behavioral Segmentation

- **Cultural and Historical Experience Seekers:** This group is interested in interacting with local cultures, learning about history and traditions, and participating in traditional activities. To attract these tourists, providing experiences such as local handicraft workshops, educational historical tours, and staying in traditionally designed eco-lodges is crucial.

- **Adventurous Tourists:** These individuals are keen on unusual and exciting experiences. Ecotourism offerings like eco-safaris, mountain climbing, or diving are highly appealing to this segment.

❖ **Challenges and Opportunities for the Target Market**

▪ **Challenges:**

- **Insufficient Ecotourism Infrastructure in Many Areas:** Many ecotourism destinations still lack adequate infrastructure to attract international tourists or provide quality services.
- **High Costs of Maintaining Sustainability:** Implementing environmentally sustainable projects and creating ecotourism facilities based on sustainable principles can be expensive, potentially raising prices.

▪ **Opportunities:**

- **Growing Demand for Customized and Unique Experiences:** The target market seeks experiences that match their specific needs and interests. Offering unique experiences like staying in local homes, enjoying native cuisine, and engaging in authentic cultural activities can create a competitive advantage.
- **Increased Focus on Sustainable and Green Tourism:** With the global rise in awareness of environmental and social issues, many tourists are willing to pay more for sustainable and eco-friendly experiences.

The target market in tourism and ecotourism is highly complex and multifaceted. Success in this market requires a thorough understanding of customer needs, behaviors, and motivations. Ecotourism can effectively expand its target market and attract more tourists by focusing on customized experiences, providing sustainable services, and engaging with local cultures

6- Physical Progress of project: yes ☐ No ☒

This project, identified as a priority investment plan for Kermanshah Province, has been proposed to the private and non-governmental sectors by various organizations, including the Organization for Investment Economic and Technical Assistance of Iran, the Kermanshah Governorate, the Economic Affairs and Finance Department, the Kermanshah Province Cultural Heritage, Tourism, and Handicrafts Department, and the Industry, Mining, and Trade Department. Currently, it is in the stage of drafting a preliminary technical-economic feasibility study.

7- Action plan and Implementation schedule:

Project Implementation Timeline

Phase	Activity/Activities	Duration	Description
Initial Studies	<ul style="list-style-type: none"> - Conduct market research - Analyze competitors - Identify target areas 	2 months	Market research to assess the appeal of ecotourism destinations and competitive analysis
Planning and Design	<ul style="list-style-type: none"> - Design the business model - Develop financial planning and budgeting - Design infrastructure and accommodations 	1 month	Financial planning and detailed design of ecotourism locations and facilities
Permits and Coordination	<ul style="list-style-type: none"> - Obtain necessary permits from local and governmental authorities - Coordinate with local communities and relevant organizations 	1 month	Acquire permits from environmental, tourism, and local organizations
Infrastructure Development	<ul style="list-style-type: none"> - Construct accommodations and facilities - Install waste management systems and renewable energy systems 	6 months	Ensure infrastructure is aligned with sustainability and environmental principles
Marketing and Promotion	<ul style="list-style-type: none"> - Design advertising campaigns - Collaborate with online tourism platforms - Market through social media 	2 months	Focus on digital marketing and using both local and global networks to attract tourists
Staff Training	<ul style="list-style-type: none"> - Recruit and train local staff - Conduct workshops on hospitality and ecotourism principles 	2 months	Train employees to provide quality services and familiarize them with ecotourism principles
Pre-Launch (Soft Launch)	<ul style="list-style-type: none"> - Test services and facilities - Conduct pilot operations with small tourist groups 	2 months	Assess facilities and resolve potential issues before official launch
Official Launch	<ul style="list-style-type: none"> - Open the project - Hold the opening ceremony and attract media attention 	2 months	Official launch and attract the first tourists
Evaluation and Improvement	<ul style="list-style-type: none"> - Collect feedback from tourists - Improve services and infrastructure based on feedback 	Ongoing	Evaluate performance and continuously improve services based on customer feedback

The **project duration** based on the above timeline will be **18 months**.

8- Financial projection:

8-1- The cost estimate:

The cost estimate

No.	subject	costs (million Rials)
1	Fixed investments	698,177
2	Operating costs	95,866
3	Financial costs	-

Fixed investment

No.	subject	costs (million Rials)	
1	land purchase	180,000	
2	Site preparation and development	79,000	
3	Civil works, structures and buildings	291,200	
4	Plant machinery and equipment	24,000	
5	Auxiliary and service plant equipment	1,000	
6	Environmental protection	3,000	
7	Incorporated fixed assets (project overheads)	57,820	
8	Pre-production expenditures (net of interest)	Studies	11,564
		Management and organization	11,564
		license	5,782
9	contingencies costs	33,247	
Total Fix investment		698,177	

Operating cost

No.	subject		costs (million Rials)
Variable cost			51,153
1	Material		31,158
2	Personnel		14,481
3	Marketing (except personnel)		3,600
4	Other variable costs	Energy	1,047
		Maintenance	399
		Unforeseen	468
Fixed cost			44,713
5	Material		
6	Personnel		33,787
7	Marketing (except personnel)		
8	Depreciation		7,274
9	Other fixed costs	Energy	185
		Maintenance	1,597
		Unforeseen	1,870
Total Operating cost			95,866

Note:

- Marketing is considered equivalent to 1% of revenue at nominal capacity.
- Depreciation rates considered are: Machinery and equipment (5%), buildings (2%), electronic equipment (20%), and office equipment (10%).
- Maintenance rates considered are: Machinery and equipment (2%), buildings (0.5%), and electronic equipment (5%).

8-2- Estimated revenues:

Project revenues

Product and Related Subject		Season 1	Season 2	Season 3	Season 4	Total Year 1	Year 2	Year 3	Year 4	Year 5
Types of Services	Achieved Nominal Capacity (%)	15%	15%	15%	15%	60%	70%	80%	90%	100%
	Real Capacity	3,000	3,000	3,000	3,000	12,000	14,000	16,000	18,000	20,000
	Cost per Person (Million Rials)	18	18	18	18	18	18	18	18	18
	Revenue (Million Rials)	54,000	54,000	54,000	54,000	216,000	252,000	288,000	324,000	360,000

8-3-Duration of project operation:

Considering the various factors influencing the economic lifespan of industrial projects such as tourism, including the availability of raw materials, localized technology, market fluctuations, and government support policies, the optimal operational period for this project is estimated to be 10 years. This timeframe has been determined by taking into account the desired rate of return for investors, the projected maintenance and repair costs, and sensitivity analysis regarding changes in key parameters.

8-4-Break- even analysis:

The breakeven analysis of the project indicates that by providing services to a minimum of 8,646 individuals per year, equivalent to 43.23% of the project's nominal capacity, the project will reach its breakeven point. This calculation considers fixed costs, including initial investment, general expenses, and fixed costs, as well as variable costs per person/service. Considering the service capacity and market forecasts, it is expected that the project will quickly reach the breakeven point and enter a phase of sustainable profitability.

8-5- Cost-benefit analysis:

The table of project efficiency indicators

total fixed investment Present value	1,158,334
total net revenue Present value	1,728,000
Net present value (NPV)	569,666
benefit - Cost ratio B/C	1.49
Internal rate of return (IIR)	87.72%
Payback Period	2 years,7 months and 20 days

8-6- Sensitivity analysis of IRR:

a. Based on Annual Revenue

Percentage Change	New Revenue (million IRR)	NPV (million IRR)	IRR (%)	Payback Period (years)
-30%	252,000	87,477	23.92	5.68
-20%	288,000	238,370	38.02	4.13
-10%	324,000	389,264	66.23	3.01
0%	360,000	569,666	87.72	2.64
+10%	396,000	750,068	121.95	2.32
+20%	432,000	930,470	181.82	2.05
+30%	468,000	1,110,872	312.5	1.82

b. Based on Annual Production Costs

Percentage Change	New Cost (million IRR)	NPV (million IRR)	IRR (%)	Payback Period (years)
-30%	35,807	651,208	125	2.30
-20%	40,922	614,489	109.89	2.41
-10%	46,037	577,212	96.15	2.54
0%	51,153	569,666	87.72	2.64
+10%	56,268	522,207	78.13	2.78
+20%	61,383	474,168	69.93	2.93
+30%	66,498	425,340	62.5	3.10

c. Based on Initial Investment Cost

Percentage Change	New Cost (million IRR)	NPV (million IRR)	IRR (%)	Payback Period (years)
-30%	488,723	784,693	31.55	4.67
-20%	558,541	710,806	41.49	3.91
-10%	628,358	637,540	57.47	3.24
0%	698,177	569,666	87.72	2.64
+10%	768,005	505,679	109.89	2.41
+20%	837,823	444,425	135.14	2.24
+30%	907,642	384,830	303.03	1.83

Notes:

- **Internal Rate of Return (IRR):** The IRR increases with a rise in annual revenue or a reduction in production costs and initial investment cost.
- **Payback Period:** The payback period decreases with an increase in annual revenue or a reduction in production costs and initial investment cost.

8-7- Summarize table:

"Summary of economic issues"

activity	International Standard Industrial Classification (ISIC Code)	product name	Nominal capacity (unit)
Tourism	5520	Tourism	20,000 person/service
Activity duration	Fix investment (million Rials)	Variable investment (million Rials)	Human resources
18 months	698,177	95,866	15 persons
Internal rate of return (IIR)	Net present value (million Rials)	Owners share (million Rials)	Benefit-cost ratio *B/C
87.72%	569,666	158,809	1.49

8-8-Estimation of exchange rate changes during the project implementation:

To analyze the impact of exchange rate fluctuations on the establishment of a tourism unit, various scenarios can be used, each addressing critical aspects of the project, such as costs, financing, and managing currency risks. These scenarios help minimize the negative effects of exchange rate fluctuations and achieve desired profitability. The following points summarize the key considerations:

❖ Scenario 1: Devaluation of the National Currency (Increase in Exchange Rate)

In this scenario, the value of the national currency decreases, causing the exchange rate (e.g., the US dollar) to rise. The impacts of this scenario are as follows:

a. Increase in Import Costs for Equipment and Raw Materials

- Many of the materials and equipment needed for building tourism infrastructure and ecotourism facilities are imported. With an increase in exchange rates, the cost of purchasing these goods rises.
- **Solution:** The use of domestic materials and equipment, or the localization of technology, can help mitigate the impact of increased import costs. Additionally, signing long-term currency contracts with suppliers can prevent sudden currency fluctuations.

b. Positive Impact on Foreign Revenue

- On the other hand, as the exchange rate rises, foreign tourists may have a stronger incentive to visit the destination country (whose currency value has dropped), as

travel and accommodation become cheaper for them. This can increase foreign tourist arrivals and boost foreign currency revenues.

- **Solution:** Focusing on attracting foreign tourists and ramping up marketing activities in target markets can help capitalize on this opportunity.

c. Impact on Project Financing

- An increase in the exchange rate may raise the cost of financing tourism projects, especially if loans or investments are in foreign currencies. This can lead to higher loan repayments and reduced project profitability.
- **Solution:** Using hedging tools like foreign currency forward contracts or currency swaps can help manage risks associated with currency fluctuations. Moreover, prioritizing domestic financing through local banking facilities can reduce the adverse effects of currency volatility.

❖ Scenario 2: Appreciation of the National Currency (Decrease in Exchange Rate)

In this scenario, the value of the national currency rises, causing the exchange rate to decrease. The impacts of this scenario are as follows:

a. Reduction in Import Costs

- In this case, a reduction in the exchange rate leads to lower costs for importing equipment and raw materials for tourism and ecotourism projects. This can reduce initial investment costs and increase the project's profit margins.
- **Solution:** In such conditions, making advance payments for imported equipment can help reduce costs and protect against future fluctuations.

b. Reduction in Foreign Revenue

- On the other hand, with a lower exchange rate, foreign tourists may be less inclined to travel to the destination country due to higher travel costs. This can lead to a decrease in foreign tourist arrivals and foreign currency revenue.
- **Solution:** Diversifying target markets, focusing more on attracting domestic tourists, and offering unique services that are less dependent on the exchange rate can help mitigate this risk.

c. Decreased Foreign Financing Costs

- A decrease in the exchange rate can lower the costs of repaying foreign currency loans and international investments, improving project profitability.
- **Solution:** Utilizing long-term foreign currency loans or international financing sources in this scenario can improve the project's financial situation.

❖ Scenario 3: Severe Exchange Rate Volatility

In this scenario, the exchange rate fluctuates constantly and severely. This condition can present the highest level of risk for tourism and ecotourism projects.

a. Difficulty in Predicting Costs and Revenues

- Severe exchange rate fluctuations make financial planning for the project challenging, increasing financial risks and reducing investor confidence. Project costs may suddenly rise, or the expected revenues from foreign tourists may decrease.
- **Solution:** Using hedging strategies such as foreign currency futures contracts or switching to more stable currencies can help reduce risks stemming from exchange rate fluctuations.

b. Risks Related to Contracts and Suppliers

- Exchange rate volatility may cause delays or increased costs in sourcing equipment and raw materials, especially if contracts are denominated in foreign currencies.
- **Solution:** Signing fixed-rate currency contracts or opting for domestic suppliers can help prevent the negative effects of exchange rate fluctuations.

❖ Scenario 4: Exchange Rate Stabilization

In this scenario, the exchange rate remains stable for a prolonged period. The impacts of this scenario are as follows:

a. Reduction in Currency Risks

- A stable exchange rate can lead to stability in costs and revenues, making financial planning for the project easier. This reduces risks associated with sudden currency fluctuations.
- **Solution:** In this situation, focusing on efficiency and reducing internal costs can help improve the project's profitability.

b. Reduced Attractiveness for Foreign Investment

- A stable exchange rate may reduce the attractiveness of the project for foreign investors, especially if they expect the value of the local currency to appreciate in the future.
- **Solution:** Creating financial and tax incentives for foreign investors and collaborating with government agencies can help attract foreign investment.

❖ Conclusion:

Exchange rate fluctuations have complex effects on tourism and ecotourism projects, involving both opportunities and challenges. Analyzing different exchange rate scenarios can help project managers better identify risks and implement effective strategies to manage them. Utilizing hedging tools, diversifying financing sources, and focusing on international marketing are key actions that can help mitigate the negative effects of exchange rate changes and improve the profitability of projects.

9- Capital needs, the supply and **guarantees method:**

9-1- Foreign currency needed:

No.	year	Exchange rate
1	first	-
2	second	-
3	third	-
4	fourth	-
5	fifth	-

9-2- The Way of participation and finance method:

Participation and securing the necessary capital for tourism and ecotourism projects require multiple financial strategies and diverse funding sources. This process is designed to reduce risk, improve liquidity, and increase the attractiveness of the project for both domestic and international investors. Below are the various methods of financing and investment participation:

❖ Public-Private Partnership (PPP)

One of the most common methods of financing large tourism and ecotourism projects is through public-private partnerships. This model allows private investors to collaborate with the government or public entities in making investments. The following benefits exist in this model:

- **Government Financing**
 - The government can help attract investors by providing low-interest loans, tax incentives, or even government subsidies. Additionally, the government facilitates access to land and infrastructure.
 - In tourism and ecotourism projects, the government may play a role in providing necessary infrastructure, such as roads, water, and electricity.
- **Attracting Private Investment**
 - Due to government support, the private sector is more inclined to invest in ecotourism and tourism projects. This model enables investors to benefit from investment security and reduced operational risks.

❖ **Financing through Bank Loans and Credit Facilities**

For tourism and ecotourism projects, bank loans can be an effective way to secure capital. Specialized and developmental banks often provide financial services for tourism projects:

- **Low-Interest Bank Loans**
 - Many banks offer low-interest loans with long repayment periods for tourism projects. In Iran, the National Development Fund and development banks can be suitable sources of financing.
 - Additionally, some banks provide foreign currency loans to finance imports or provide funding from international sources.
- **Use of Guarantee Facilities**
 - Bank guarantees and letters of credit can also play an important role in securing capital, especially in cases involving imports of equipment or international contracts.

❖ **Foreign Direct Investment (FDI)**

Foreign direct investment can be a significant source of capital for tourism and ecotourism projects. This model is particularly effective in large-scale projects that require international equipment or resources.

- **Attracting Foreign Investors**
 - Foreign investors are interested in opportunities that offer attractive returns. Tourism and ecotourism projects, with the potential to attract international tourists, are highly appealing to foreign investors.
 - BOT (Build-Operate-Transfer) or BOO (Build-Own-Operate) contracts can be used in this type of investment. In these methods, the foreign investor constructs and operates the project, and after a certain period, ownership or a portion of the project's income is transferred to the government.
- **Government Incentives for Foreign Investors**
 - Offering tax exemptions, faster permits, and facilitating the transfer of capital are some of the measures that can attract foreign investors.

❖ **Investment Funds and Crowdfunding**

For smaller or more localized projects, investment funds and crowdfunding can serve as alternative sources of capital.

- **Venture Capital Funds**
 - Venture capital funds can provide financial resources for innovative tourism and ecotourism projects. This model is suitable for projects that have high growth potential and quick returns.
- **Crowdfunding**
 - In this model, individuals can contribute to the financing of projects through online platforms. It is especially effective in local tourism projects where the local community plays an active role. Small investors can contribute with small amounts, helping to finance the project.

❖ **Issuance of Debt Bonds and Sukuk**

For large-scale projects with long return periods, issuing debt bonds (such as participation bonds or sukuk) is an effective and reliable method of raising capital. These bonds allow investors to participate in projects and receive profits in return.

- **Participation Bonds**
 - Tourism projects can raise capital through the issuance of public or private participation bonds. These bonds typically offer fixed returns to investors, which are repaid alongside the principal amount.

- **Sukuk**

- Sukuk, a type of bond compliant with Sharia law, can also be used to finance tourism and ecotourism projects. In this method, investors have ownership stakes in the project and receive profits from the project's earnings.

❖ **Joint Ventures (JV)**

Joint ventures are a common method of financing tourism and ecotourism projects. In this model, several domestic or foreign investors collaborate to implement the project, sharing both risks and profits.

- **International Collaboration**

- In projects requiring significant investment or advanced technology, foreign investors may collaborate with domestic companies in a joint venture. This method helps with better financing and technology transfer.

- **Local Partnerships**

- In local communities, investors can collaborate with private sectors or local cooperatives to establish projects. This model promotes better local engagement and supports sustainable development.

❖ **Use of International Facilities and Foreign Resources**

International organizations such as the World Bank, the International Monetary Fund, and the Islamic Development Bank provide financial resources for developmental and tourism projects. Utilizing these resources can help implement projects on a larger scale.

- **International Development Loans**

- Many international and regional institutions provide preferential loans for tourism and ecotourism projects, which may include long repayment periods and low interest rates.

❖ **Local Community Participation**

In tourism and ecotourism projects aimed at local development and environmental preservation, community participation can be a key financing method.

- **Cooperative Financing**

- Local cooperatives can play a role in financing tourism and ecotourism projects. The local community benefits from the economic and social advantages of the project through direct or indirect investment.

- **Social Participation**

- Local communities can contribute to tourism and ecotourism projects by participating in project ownership and sharing the revenue. This method can help ensure project sustainability and increase its attractiveness to tourists.

❖ **Conclusion**

Securing capital for tourism and ecotourism projects requires a multidimensional approach that leverages various funding sources. The choice of the best financing method depends on the project's scale, investment return timeline, currency risks, and the tourism attractions of the region.

9-3- Payback period:

Based on the conducted studies and forecasts, the payback period for this project is estimated to be **2 years, 7 months and 20 days**. This estimate has been calculated considering various factors, including initial investment, operational costs, projected revenues, discount rate, and inflation rate. Furthermore, sensitivity analysis regarding changes in key parameters indicates that the project demonstrates acceptable resilience to market fluctuations and variations in production costs.

10- Incentives, features and advantages of project:

The development of tourism and ecotourism projects in the Kermanshah region can provide numerous benefits and incentives for investors and developers, considering the region's natural, historical, and cultural potential. These benefits include economic, social, environmental, and cultural advantages that can be profitable for both the region and the investors.

❖ Government and Economic Incentives

Tourism and ecotourism projects in the area benefit from government support and special economic incentives. These incentives include:

a. Financial Assistance and Supportive Loans

- Low-interest loans and credit lines are provided by the government and development banks for tourism and ecotourism projects.
- The National Development Fund and local organizations can also offer necessary financial resources with favorable conditions for investment in this region.
- Multi-year tax exemptions for tourism projects executed in underdeveloped areas.

b. Land Allocation and Infrastructure

- Government lands are offered at favorable prices or even for free in some cases to projects by governmental organizations.
- The government develops public infrastructure, such as roads, water, electricity, and gas, which reduces the initial investment costs for tourism projects.

c. Support for Domestic and Foreign Investments

- As an underdeveloped region, it benefits from government incentives to attract foreign investment. These incentives include faster permits and customs exemptions for importing tourism-related equipment.

❖ Regional Characteristics and Advantages

The Kermanshah region has unique natural and cultural features that make it an ideal destination for natural tourism and ecotourism:

a. Natural and Environmental Attractions

- Beautiful Natural Landscapes: The region boasts pristine natural landscapes, springs, caves, and lush mountains, offering great appeal for nature lovers and ecotourism enthusiasts.
- Favorable Climate: The region's geographical location provides a moderate and pleasant climate throughout most of the year, making it an attractive destination for tourists in all seasons.

b. Proximity to Historical Attractions

- Kermanshah province, with its prominent historical and cultural landmarks such as Bisotun, Taq Bostan, and the Anahita Temple, is capable of attracting cultural and historical tourists. The proximity of the region to these attractions adds significant tourism value.

c. Rich Indigenous Culture

- The region has a rich indigenous culture and unique traditions, including local music, ancient customs, and handicrafts, which can greatly aid in attracting cultural tourists and ecotourism enthusiasts.

❖ Environmental and Social Benefits

Tourism and ecotourism projects in this region not only offer economic benefits but also provide significant environmental and social advantages:

a. Environmental Protection and Natural Resource Conservation

- Tourism and ecotourism projects focused on environmental preservation and sustainable use of natural resources help protect biodiversity and the region's natural resources.

- Sustainable tourism practices prevent environmental degradation and can serve as a tool for local ecosystem conservation.

b. Job Creation and Local Development

- These projects can help reduce unemployment and improve the livelihoods of local communities by creating job opportunities.
- Local community participation in ecotourism projects can strengthen a sense of ownership and foster greater community support and engagement.

c. Raising Environmental Awareness

- One of the main goals of tourism and ecotourism projects is to increase environmental awareness among both tourists and locals. This will make locals and visitors more sensitive to the importance of conserving the region's natural resources and ecosystems.

❖ Revenue Generation and Profitability Opportunities

Tourism and ecotourism projects in the region can create numerous revenue and profitability opportunities:

a. Development of Tourism Infrastructure

- Developing ecotourism accommodations, local restaurants, and tourism sites can attract both domestic and foreign tourists, generating direct and indirect revenue opportunities.
- Providing local experiences, such as cultural workshops and handicraft classes for tourists, can bring additional income to the local community.

b. Increased Domestic and International Tourism

- With the development of tourism infrastructure and enhanced facilities, the potential for attracting both domestic and foreign tourists will increase. Due to its natural and cultural attractions, this region can become a major tourism destination within Kermanshah province.

c. Regional Branding

- The development of tourism and ecotourism projects will create regional branding, transforming the area into a prominent tourism destination both nationally and internationally.

❖ Cultural and Social Benefits

Tourism and ecotourism projects can also play a crucial role in preserving and promoting the region's indigenous culture:

a. Preservation of Local Traditions and Culture

- Tourism projects can contribute to preserving and promoting the local culture, traditions, and customs. These projects provide an opportunity for tourists to learn about the region's culture and experience its local customs.

b. Increasing Cultural Interactions

- Tourism and ecotourism foster cultural exchange between locals and domestic or international tourists. This interaction leads to the sharing of experiences and increased awareness of different cultural values.

The development of tourism and ecotourism projects in the region, with its natural and cultural potentials, government support, and economic and social benefits, presents a significant opportunity for sustainable development and investment attraction. These projects can significantly contribute to the local economy, job creation, and environmental conservation, while also transforming the region into a prominent tourist destination.