EGYPT SUCCESS STORIES
LESSONS LEARNED

ENTAG has proved that green technologies can be provided locally at competitive prices. It has also shown that Egypt’s waste management constraints can be addressed through a participatory approach between both the private and the public sectors.

However, as ENTAG's CEO has indicated, “this requires a set of enabling conditions that are vital to lower existing market entry barriers for new startups and entrepreneurs”.

The enabling conditions that have been highlighted include:

- Developing a national strategy and a plan of action for the MSW sector, using an integrated approach including legal, institutional and financial frameworks.
- Establishing pilot disposal programs to be replicated in other governorates.
- Establishing waste management systems within energy programs.
- Creating landfill regulations and standards.
- Providing training programs in MSW management for all levels of employees including quality control programs.
- Establishing good human resource units to manage personnel and their professional development, including promotion and incentives programs.
- Supporting NGOs in their recycling efforts, especially for plastics, papers, and rubber tires.
- Setting technical guidelines for recycling centers.
- Establishing technologically-sound collection and treatment procedures and facilities.
- Strengthening the role of LEAA to enforce environmental laws and regulations.
- Launching MSW public awareness programs.

THE SEKEM INITIATIVE

SEKEM’s Social Development Efforts

CASE: HIGHLIGHTS

IN 2003, SEKEM WAS GIVEN THE ALTERNATIVE NOBEL PRIZE ‘RIGHT LIVELIHOOD AWARD’

60% OF ITS OVERALL ANNUAL TURNOVER IS FROM THE EGYPTIAN LOCAL MARKET

10% OF ITS FINANCIAL REVENUES ARE REINVESTED INTO SOCIAL & CULTURAL PROJECTS

SEKEM WAS FIRST TO INTRODUCE BIODYNAMIC AGRICULTURE IN EGYPT 30 YEARS AGO

THIS HAS RESULTED IN OVER 1 MILLION TONS CO2 SEQUESTRATION IN OWNED SOILS, REDUCED PESTICIDE USAGE AND 20 TO 40% WATER SAVINGS

“SEKEM” is a translation from an ancient Egyptian hieroglyphic word, meaning “vitality,” and it is truly reflective of a holistic approach to life.

The SEKEM model has emerged from different philosophies and movements from both Egypt and the Western world. First and foremost, it was inspired from the Quran, Steiner’s Anthroposophy, and Goethe’s philosophy. It is a marriage between the occident and the orient. SEKEM aims at integrating social, economic and environmental aspects to achieve sustainable development and a sense of well-being, thus contributing to encompassing the needs of human beings, the community, and the entire globe.

The SEKEM Initiative is a successful social venture that addresses Egypt’s main challenges of population growth, stagnant agricultural productivity, lagging education and marginalized cultural considerations.

PROFILE

Guided by the vision of Dr. Ibrahim Abouleish, SEKEM was founded in rural Egypt in 1977 in a 70-hectare farm, located near the rural town of Belbeis, northeast of Cairo. 30 years ago SEKEM had promoted and introduced organic and biodynamic farming. By 1983, crops of organic fruits, vegetables and spices were harvested.

Currently, the SEKEM group harbors a number of subsidiary companies (Elbra, Hator, Sekem (Lotus), Isis, Conytext, Ates, and Mitan). All of these companies are working to consolidate the concept of a business venture with different aspects of sustainable development. This is mainly done through the production of high-quality food, phytopharmaceuticals, and textile. In addition to engaging in organic-agriculture farming and post-harvest processing, the SEKEM Group also markets its products both locally and globally.

In 2003, the initiative was given the alternative Nobel Prize  “Right Livelihood Award” due to its successful balance between business, social and cultural considerations. In 2004, Dr. Ibrahim Abouleish was awarded the Schwab foundation prize for “Outstanding Entrepreneur”.

In addition to employing over 1,700 workers, 10% of the financial revenues of the Group are reinvested into social and cultural projects.

Abouleish, 2013. A system of beliefs and practices, based on the teachings of Rudolf Steiner and maintaining that for correct training and personal discipline one can attain experience of the spiritual world, Isabella Yohn, 2006. Ibid, SEKEM 2011.
SEKEM’s Developmental Benefits

The initiative’s holistic approach has significantly garnered positive environmental, cultural, and social impacts in Egypt.

Environmentally, ever since its establishment SEKEM has been among the first private sector companies to address agricultural waste disposal with environmental considerations. It has a long-term vision to contribute to the improvement of soil fertility through the use of composting and green manure with balanced crop rotation. This has resulted in over one million tons of CO2 sequestration in owned soils, reduced pesticide usage and 20 to 40% water savings.

Some of its activities are undertaken using renewable energy through their own small-scale projects. SEKEM is also engaged in several environmental development projects including EcoProfi, which deals with CO2 emission reduction and the reduction of carbon footprint through its ecoCity program, focusing on sustainable and energy efficient housing.

Nurturing cultural ties especially in rural communities has always been high on SEKEM’s community agenda. The main focus of the SEKEM development foundation (SDF) is to promote cultural uniqueness and a sense of belonging among SEKEM’s farmers and their immediate communities.

SEKEM also enhances educational and community development under the umbrella of SDF. It has established a community kindergarten, various schools, a vocational training center, and an adult training center for arts. Different research labs are currently operational.

In 2011, 16 children were enrolled in the SDF kindergarten, 167 students in the elementary school, 89 in the middle school, 43 in the high school, and 27 in the special education program.

It also operates a medical centre that provides primary care and some specialized services such as surgery and pediatric care along with labs. Centre services also include an x-ray unit, an endoscopy unit and a dental clinic.

In the same spirit, SEKEM’s Microcredit fund has assisted 314 men and 283 women to achieve financial independence through successful small projects such as raising animals and small-scale grocery products. Today total credit has almost reached EGP 2.9 million.

Finally, SEKEM has contributed to gradually opening up consumer-demand-driven local markets for organic food and has created jobs through its continuous business venture expansions. Within the context of the National Employment Pact (NEP), SEKEM pledged to create 200 jobs until summer 2012.

Challenges

On its path to success, SEKEM has faced several challenges. These include: Market constraints and lack of public policies to support sustainable agricultural practices.

In addition to existing lack of skilled labor, unpredictable financial support, and limited market demand at first (no awareness for the importance of organic products).

Success Factors

Other constraints relate to Government subsidies for energy and water which favor conventional agriculture in spite of the fact that organic agriculture uses less water and less energy.

Entrepreneurial vision and a determination to implement such a vision are perhaps the key success factors behind the SEKEM initiative. The introduction of biodynamic agriculture for the first time in Egypt has created the need to address farmers’ lack of awareness, lack of information and lack of skills related to this nontraditional agricultural practice. It has also required the adoption of creative marketing strategies and continuous communication links, targeting both public authorities and possible consumers in order to create market demand and raise public awareness.

Innovative internal management, on the other hand, is integral in maintaining SEKEM’s rate of operational expansions and increased involvement in development projects. Every morning, employees meet in a circle, to discuss planned work activities. Similarly, supporting employee wellbeing and rights is also another factor that SEKEM highly values.

As such, each company within the Group has an administrator responsible for the wellbeing of the workers. They are also accountable for the quality of work environment, capacity building, career development, and health care program. The Cooperative of Sekem Employees strives to ensure that rights and values of employees are duly observed. It has also introduced a recognition and reward system.

The adopted vigorous quality management from cultivation to the final product helps SEKEM to maintain its corporate brand, build customer loyalty, promote human well-being, and create export opportunities. The management is keen on gaining local and international accreditation and certification. It has also introduced online traceability programs.

Finally, in order to replicate SEKEM’s experience it has entrusted the Heloplis University for Sustainable Development through its ‘Social Innovation Centre’ with the mission of establishing sustainable communities in Egypt’s desert as a solution for social chronic problems such as the lack of food, water, and energy as well as an unhealthy urban environment.
LESSONS LEARNED

The new element that SEKEM introduced is the holistic approach to development. SEKEM follows a three-fold approach in its business model and corporate culture. This means that economic, cultural, and social activities work in hand in hand to achieve SEKEM’s broader sustainable development vision for Egypt.

Broadly speaking, and through local collaborative efforts, SEKEM has been able to adopt a green economy and a sustainable development approach. Emphasis in undertaking their activities has been laid on the integration of the three pillars of sustainable development (economy, society, and the environment).

Moreover, SEKEM has demonstrated the economic and business viability of going green. Enabling conditions that SEKEM finds essential in supporting its model include:

- Clear desert land reclamation policies,
- Access to adequate finance with very low interest rates,
- Reflecting actual costs for energy and water,
- Providing incentives for human development initiatives, such as building schools, universities or employee training centres.

7 DESERT LODGE RESORT

CASE: HIGHLIGHTS

In 2007, Desert Lodge was awarded the first prize for Best Environmental Tourism by the German Travel Association.

100% OF STAFF IS LOCALLY RECRUITED TO EMPOWER SURROUNDING COMMUNITIES AND PROMOTE INCLUSIVENESS

50% OF THE LODGE’S NEEDS FROM WATER AND ELECTRICITY ARE FROM RENEWABLE ENERGY RESOURCES

100% OF PRODUCTS AND MATERIALS USED AND PROVIDED TO GUESTS ARE LOCALLY-MADE AND GROWN

DESERT LODGE MANAGEMENT HAS INITIATED A SOLID WASTE MANAGEMENT PROJECT FOR THE OASIS WITH A POPULATION OF ABOUT 7,000 PEOPLE

Egypt has a myriad of naturally endowed locations that qualify it to be an attractive ecotourism destination. However, this new emerging trend is yet to reach its full potential.

Mr. Ahmed Mousa, the founder of Desert Lodge, is an entrepreneur that has delved into this relatively new area and has successfully demonstrated that ecotourism is the way forward to re-enlist Egypt on the global touristic map with the post 25th January revolution decline in the sector.

PROFILE

With a 25 year-experience in nature care, and concern for Egypt’s deteriorating natural resources, the founder of Desert Lodge Resort has had the idea of integrating environmental accountability within an appealing business model.

This has resulted in building an eco-friendly hotel/lodge in Dakhla oasis which is the farthest oasis out of Cairo. Dakhla oasis is considered one of Egypt’s most beautiful oases.

This project is intended to couple sustainability and tourism into a ‘sustainable tourism’ model to save Egypt’s ecological heritage and highlight its community-based culture. As a result, a holding company Wildlife Association for Development and Investment (WADI CO) was created to manage and build ‘Desert Lodge’.

Running under a joint Egyptian and Swiss management, the lodge employs about 45 workers and has been operational since 2003.

The architecture of Desert lodge is designed to comply with environmental standards and the surrounding desert ecosystems. It was constructed by local workers, using local and natural materials.

The management follows a minimal-waste-disposal policy, and has created a sorting system for waste recycling. All provided amenities by the Lodge are compliant with the environment and promote resource efficiency.

Tap water is filtered with hi-tech filters and is offered to guests in glass bottles to reduce the amount of waste of plastic bottles and minimize transportation costs. All cleaning products used are environment friendly.