



GREEN economy

EGYPT SUCCESS STORIES



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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 unit 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 planning guidelines for recycling centres,
- Establishing technologically-sound collection and treatment procedures and facilities,
- Strengthening the role of EEAA to enforce environmental laws and regulations,
- Launching MSW public awareness programs.



6 THE SEKEM INITIATIVE

SEKEM's Social Development Efforts



"SEKEM" is a translation from an ancient Egyptian hieroglyphic word, meaning "vitality,"²¹ 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,²² 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 wellbeing - 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.²³ By 1983, crops of organic fruits, vegetables and spices were harvested.

Currently, the SEKEM group harbors a number of subsidiary companies (Libra, Hator, Sekem (Lotus), Isis, Conytex, Atos, and Mizan).²⁴ 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.

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

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.²⁵



The **SEKEM** Group has also created a social cooperative of **SEKEM** employees, the Egyptian Biodynamic Association, the **SEKEM** development foundation (SDF) and recently, in 2012, the **Heliopolis University for Sustainable Development (HU)**.

The main business target of the Group has been the introduction of biodynamic agriculture in Egypt. Through it, **SEKEM** aims to encourage land reclamations and abate the extensive use of chemical fertilizers and pesticides. This is in addition to addressing environmental biodegradation and water scarcity concerns. Their biodynamic and organic agricultural practices include the extensive use of compost, to turn desert ground into productive and healthy soil.

Their agricultural production includes fruits, vegetables, cotton, and medicinal plants and herbs and is supported by strong international partners in the organic movement and beyond. All 600 **SEKEM** suppliers belong to the Egyptian Biodynamic Association that provides them with capacity building. In 2008, **SEKEM** started expanding its own farmland on different locations in the Egyptian desert.

FINANCIAL VIABILITY

SEKEM is continuously able to garner financial assistance from donor agencies and organizations such as the European Commission and USAID in order to support its developmental projects.²⁶

In 2002 **SEKEM** obtained a loan from the **German Development Finance Organization (DEG)** and the International Finance Corporation for Agricultural Expansions to support its activities.

The **SEKEM** Group is a rapidly expanding stand-alone profitable venture with increasing exports. However, 60% of **SEKEM** overall annual turnover is from the Egyptian local market.

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.²⁷

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 EcoProfit, 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 also been high on **SEKEM**'s community agenda. The main focus of the **SEKEM** development foundation (SDF) is to celebrate cultural uniqueness and a sense of belonging among **SEKEM**'s farmers and their immediate communities.

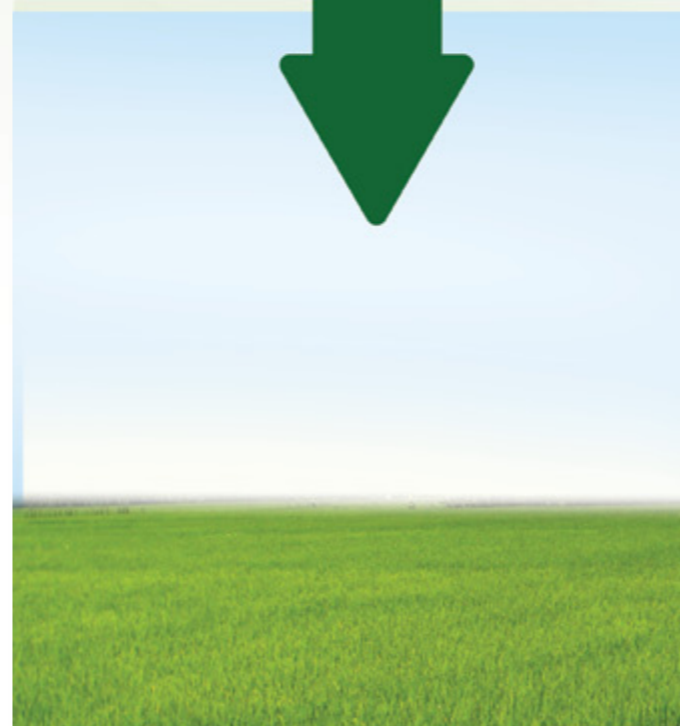
SEKEM also enhances **educational and community development** under the umbrella of SDF. It has established a community kindergarten, various schools, a vocational training centre, and an adult training centre for arts. Different research labs are currently operational.

In 2011, 46 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.²⁸

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 2012.²⁹



CHALLENGES

On its path to success, **SEKEM** has faced several challenges. These hurdles include: Market constrains 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.³⁰ As such, each company within the Group has an administrator responsible for the wellbeing of the workers. She/he is also accountable for the quality of work environment, capacity building, career development, and health care program.³¹ 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 very 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 **Heliopolis 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 hand in hand to achieve **SEKEM**'s broader sustainable development vision for Egypt.

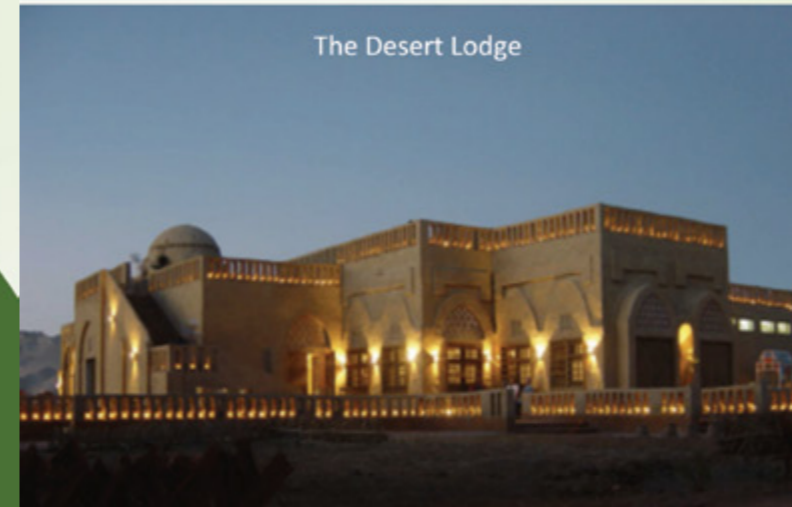
Broadly speaking, and through local collaborative efforts, **SEKEM** has been able to adopt a green economy and a sustainable development approach. Emphasis in undertaking their activities has been laid on the integration of the three pillars of sustainable development (economy, society and the environment).

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



The Desert Lodge

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.

CASE: HIGHLIGHTS

IN 2007, DESERT LODGE WAS AWARDED
THE FIRST PRIZE
FOR
BEST ENVIROMENTAL TOURISM
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

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.