

A luxury lodge fostering entrepreneurial spirit

Executive summary

Al Tarfa Desert Sanctuary is one of the first lodges to have introduced the concept of eco-luxury in Egypt. Owned by Camps and Lodges of Egypt, a subsidiary of Orascom Development Holding (ODH), the lodge provides a unique cultural experience for guests while fostering development in the local community. Al Tarfa hires locally, organises awareness sessions, trains locals on hospitality skills, and exerts considerable effort to preserve the environment and local architectural heritage.

Al Tarfa showcases the positive impact sustainable tourism can have on underprivileged agrarian communities in Egypt. In addition to creating job opportunities by introducing tourism to the area, the lodge has fostered an entrepreneurial culture amongst young locals, several of whom have established their own businesses.



COUNTRY
Egypt

NAME
Al Tarfa Desert Sanctuary

COMPANY
Camps and Lodges of Egypt,
Orascom Development Holding

TYPE
Eco-luxury lodge

FIELDS OF INCLUSION
Transportation,
construction,
maintenance and services,
natural conservation



How the business model works

Al Tarfa, is an eco-luxury lodge in the Al Dakhla Oasis in Egypt's Western Desert, which consists of 14 settlements whose combined population totals some 70,000 inhabitants. The oasis bears high potential for tourism as it includes, among other attractions, well-preserved Roman and Pharaonic temples.

With the vision of promoting a responsible approach to tourism by which locals are provided job opportunities and the area's cultural and environmental heritage is protected, Wael Abed, Al Tarfa's managing partner, joined forces with ODH within the framework of Camps and Lodges of Egypt to build the lodge. Recognising the growing interest in sustainable tourism worldwide, the organisers designed Al Tarfa to attract visitors willing to pay a premium for this kind of travel.

Local construction techniques

Al Tarfa's complex was built in line with the architectural style of traditional oasis buildings. At once sturdy, comfortable, climate-friendly and aesthetically pleasing, Al Tarfa's buildings demonstrate the modern benefits of traditional styles and stand as examples of how the region's architectural heritage can be preserved. Currently, Al Tarfa has 20 rooms on offer, including suites available for a standard rate of USD 300 per person per night.

Creating job opportunities

Throughout the 15 months of construction (2007-2008), the project provided employment for 60 local workers per day. Once completed, the lodge hired 100 local employees, providing them with hospitality and environmental-awareness training. With an average monthly salary of USD 210, most of these employees enjoy the benefits of long-term contracts, including medical insurance and access to career development and training. Working together with the Egyptian Ministry of Tour-

ism, the lodge also provides hospitality training programmes that are open to all local residents.

Since the onset of the Arab Spring, Al Tarfa's occupancy rate has fallen from 50% in 2010 to 10% in 2014. It has nonetheless succeeded in retaining employees and maintaining their salaries with the support of the parent company, Camps and Lodges of Egypt.

Fostering local entrepreneurship

In keeping with its local development policy, the lodge opted to rent local trucks with their own drivers rather than outsource this service to companies in Cairo. Buoyed by increasing incomes, local truck drivers began investing in their future by purchasing new trucks, and local youth launched their own transportation company. In line with its sustainability efforts, Al Tarfa procures its food from local farmers when the items needed are available and in season. For its IT support, the lodge also works with a small Internet and mobile-phone shop owned by a young local resident. Activities such as excursions, desert-guided tours or camel-trekking are provided by locals with expert knowledge of the terrain on a subcontracted basis.

Preserving the surrounding environment

Aiming to support local environmental conservation efforts, Al Tarfa spearheaded the move to establish Al Dakhla Dunes Park, the first national park in the oasis, by securing legal permits and government approvals.

To date, Al Tarfa has received numerous awards, including the Award of Excellence from the Egyptian Ministry of Tourism in 2012, the Condé Nast Traveller International Award, as well as honourable mentions in esteemed publications such as The Independent and The Financial Times

SPOTLIGHT

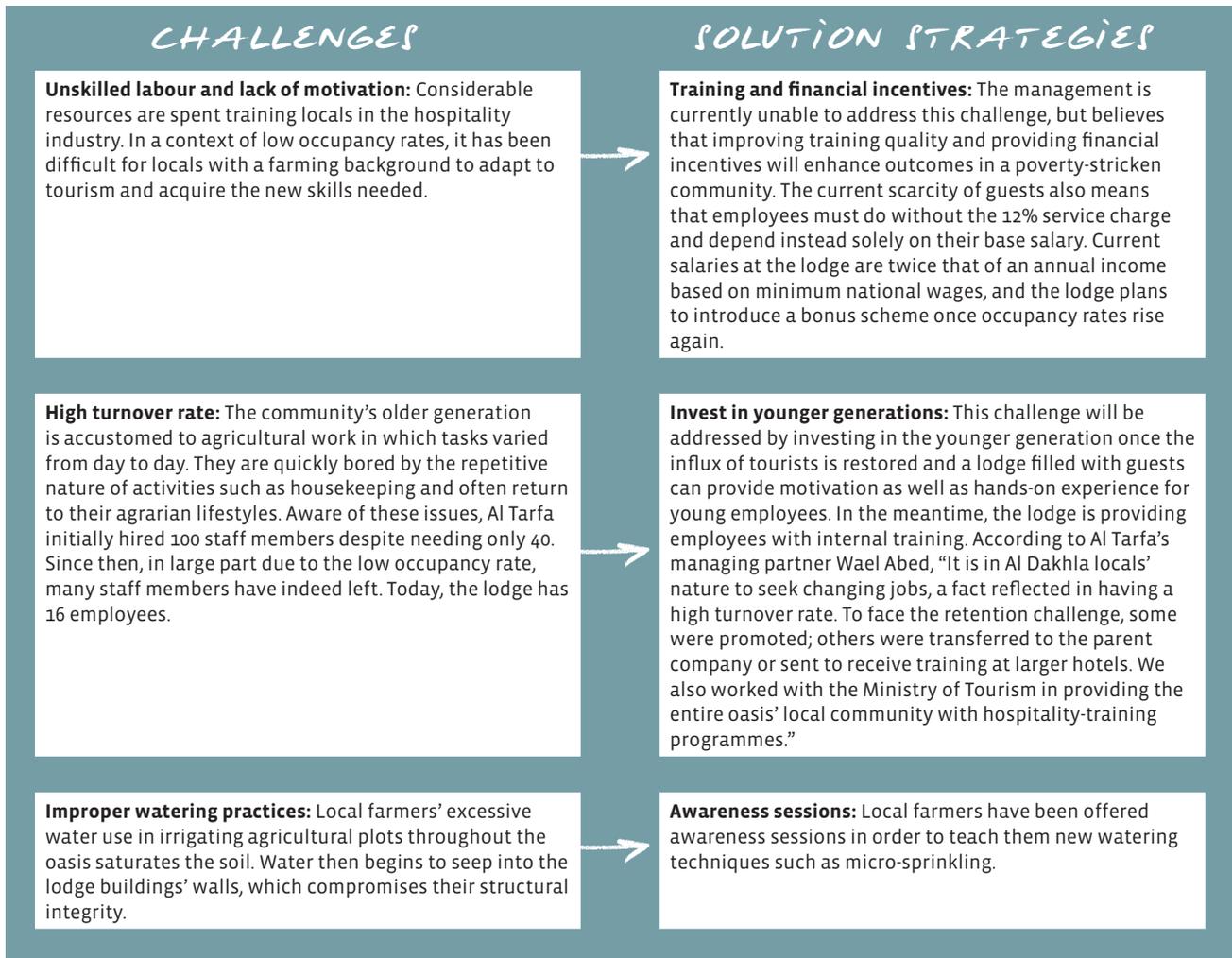
Mohamad Kamal builds his own transport company



Mohamed Kamal is the owner and founder of Wahat Masr Transportation Company. He started the company in 2009 to cater to Al Tarfa and its guests. The company made a substantial profit in 2010, allowing it to expand the business and buy new cars paid on installments. As Mohamed Kamal explains: "We have been doing good business thanks to them. Al Tarfa is one of our main business

partners, we handle airport pickups as well as transport from and to different locations for their guests and staff. The idea of starting this company was there for years, but Al Tarfa's presence helped materialise it in 2009. We began operating with rentals only and now own three cars ourselves." Currently, the company also provides transportation services to locals and other companies.

Challenges and solution strategies



Note: Maintaining operations throughout the off season (May to August) represents the lodge's most significant challenge. However, operating even during the hot season is important in order to ensure proper facility maintenance and

employees' financial stability. It should be noted that ongoing unrest and security concerns have affected tourism in Egypt overall since 2011. In order to ensure its viability under the current conditions, the lodge has focused on domestic rather

than foreign tourists. In recent years it has offered a reduced rate to Egyptians and foreign residents in Egypt with a promotional rate of USD 98 per person per night.

Mutual benefits

Business benefits

Positioning Al Tarfa as a high-end destination catering to an affluent clientele allows the lodge to charge high room rates and enables it to sustain its business during the off season. At the same time, the organisers' emphasis on responsible and sustainable business practices has enabled the lodge to survive the effects of the Arab Spring. In fact, despite the political turmoil in Egypt, Al

Tarfa has neither downsized nor shut down operations, and has maintained the financial stability of its local employees throughout the crisis, thereby gaining the trust of the local community.

The policy of hiring locally has helped the lodge maintain low costs, since employees residing nearby do not require housing or transportation. Furthermore, unlike

staff arriving from other regions, local employees do not require extensive holiday time in order to return to hometowns. Hiring locally has also allowed Al Tarfa to remain operational during the off season and throughout periods of crisis. This ensures facility maintenance and builds customer loyalty, as guests can be assured of receiving accommodation in any season.

Working with local farmers has helped the lodge save costs that would otherwise be incurred by transporting food from surrounding regions. These farmers have also helped the lodge by teaching the management about the surrounding natural environment and farming techniques for wild plants used in landscaping.

The lodge has helped instill a friendly culture by facilitating interaction between its local staff and guests. Guests often take advantage of tours and excursions led by local drivers and guides, whose knowledge of the terrain and local history enriches tourists' experience. These interactions also benefit locals as they gain exposure to an international clientele.

Outlook

Al Tarfa's development plan includes three main projects. The first, "Organica Oasis", involves the lodge applying organic practices in planting and harvesting its own fruits and vegetables. The second project aims to expand the "Desert Library" and raise visitors' awareness of local heritage by providing books about the area's history, culture, architecture and archeology. The lodge's management also plans to encourage the local community and visitors to share ideas that have direct benefits for the environment. In one such

Development benefits

Job creation and newfound entrepreneurship opportunities comprise the lodge's primary development impact. During construction, Al Tarfa employed 100 locals. It has since trained 100 staff members for the lodge and maintains contracts with 16 staff members.

Al Tarfa has also had an indirect impact on local handicrafts and farming. The initial influx of guests helped artisans, mostly women producing crafts such as carpets, curtains, pillows, mats and pottery, increase their sales. However, since 2011, tourist numbers have decreased dramatically, and most local artisans have returned to agrarian work. The lodge's procurement of local food has benefited farmers by generating income that was not available prior to the establishment of Al Tarfa.

In 2010, Al Tarfa collaborated with the Eye Society of Egypt to get medical convoys to come to Al Dakhla. The lodge publicised the convoy dates, handled the application process and hosted the doctors. The operations and exams took place at Al Dakhla Hospital. The convoy resulted in 600 eye consultations (including treatment) and 64 major eye surgeries, all performed free of charge. Al Tarfa thus strengthened its relationship with the locals and reinforced trust, as the service was extended to all community members, including non-employees.

case, a social entrepreneur was provided with a plot of land for planting cactus plants with therapeutic benefits.

Finally, the parent company, Camps and Lodges of Egypt, has expressed an intention to build more ecolodges. Its original plan was to replicate Al Tarfa's model every five years in different locations throughout the Egyptian desert. This plan will be reinstated once political stability returns to the country.

REFERENCES

Al Tarfa Lodge (2014). Al Tarfa Desert Sanctuary Lodge and Spa Corporate Brochure.

De Filippi, Francesca (2006). Traditional architecture in the Dakhla Oasis, Egypt: space, form and building systems.

Al Tarfa Desert Sanctuary (2014). Al Tarfa homepage. Accessed May 2014. www.altarfa.net

Condé Nast Traveller (2014). Homepage. Accessed May 2014. www.cntraveller.com/recommended/hotels/room-with-a-view/page/al-tarfa-desert-sanctuary-lodge-spa-egypt

Tatler Spa Guide (2011). Tatler homepage. Accessed May 2014. www.tatler.com/guides/spa-guides/2011/winter-sunseekers/al-tarfa

EcoLuxury (2014). EcoLuxury homepage. Accessed June 2014. www.ecoluxury.com

INTERVIEWS

Wael Abed, Managing Partner at Al Tarfa Desert Sanctuary
Mohamed Kamal, Owner and Founder of the WahatMasr transportation company

CONTACT

Wael Abed, Managing Partner
Tel: +2 0100 100 1109
Fax: +2 092 7851 490
Email: altarfalodge@gmail.com

AUTHORS

Karine Kamel and Salma El Noshokaty, BridgEgypt

DATE

Research for the case study was conducted in May and June of 2014

PHOTOS

Courtesy of Camps and Lodges of Egypt, Orascom Development Holding