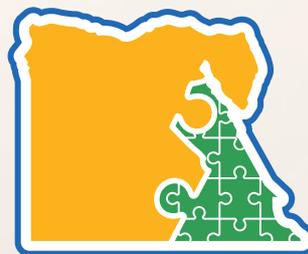


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# Empowering the South: Legislative Proposals

EMPOWERING  
THE SOUTH





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## Introduction

Throughout the years of our partnership with the Drosos Foundation to promote entrepreneurship through the MASAAR program, the research component has been backstopping, serving as the key element that connects the dots between different phases.

It began with the cluster diagnostic study, which involved analyzing the entrepreneurial ecosystem in Upper Egypt in sectors such as agribusiness, handicrafts, and waste management. Subsequently, Enroot conducted a business opportunity mapping that identified key sectors in Aswan based on relevance, opportunity for and feasibility of development. By extension, a cluster diagnostic study on the fisheries cluster in Aswan was conducted, which revealed challenges in export logistics and the competitiveness of Aswan's products in reaching global markets.

Building on the implementation phase, where challenges and opportunities were identified and addressed, a study was developed to connect the dots between the previous and upcoming phases. The study offers policy solutions to enhance Aswan Governorate's exports by addressing logistic challenges and boosting product competitiveness. Additionally, a policy paper was developed in collaboration with Saed Foundation with the aim of directing policymakers' attention towards the importance of applying geographical indicators and amending the intellectual property rights law as a key tool for increasing product competitiveness at the international level. Another policy paper developed in collaboration with Kayan Foundation aims to amend legislative texts to ensure effective support for entrepreneurship.

The three papers, which present opportunities for future interventions, reveal a series of new dots that Enroot and its partners will connect together. This booklet presents summaries of the policy papers.

# Policy Paper 1: Solutions Fostering the Export Potential of Aswan's Economic Clusters

## Background

- Aswan Governorate boasts economic clusters with comparative advantage that makes them attractive for investment and global market access.
- Egypt's agricultural policy aims to increase agricultural exports to reduce the current trade deficit and address the foreign currency shortage.
- The agribusiness sector is highly considered by policymakers in Egypt due to its role in maximizing value addition, which increases the economic value of agricultural products
- Egypt aims to boost investment in the logistics sector to make Egypt a global logistics hub.

## Clusters With High Export Potential



MAPs  
(Medicinal and aromatic plants)



Handicrafts



Fishery



Dates



## Research Methodology

The research results were obtained through interviews with experts from various sectors, including agriculture, fishery, handicrafts, and foreign trade, as well as relevant government agencies. The research concluded with a workshop titled "Policy Solutions Fostering the Export Potential of Aswan's Clusters", which was attended by policymakers and sectoral experts.

## Key Challenges Addressed in the Paper

1

The reliance of Aswan's industrial sector on primary industries.

2

The lack of logistic services related to packaging, storage, cooling, and transportation.





## Policy Paper Objectives

The objective of the policy paper is to find policy solutions aimed at enhancing the competitiveness and export efficiency of products from Aswan governorate by:

- 1 Increasing the added value of products in the MAPs, dates, fishery, and handicrafts sectors.
- 2 Improving the quality of logistic services to and from Aswan.

## Obstacles to Exporting Aswan Products

- **Industrial infrastructure:** Lack of licensed factories in Aswan with global standards hinders high-quality manufacturing.
- **Production and transportation costs:** High production costs and reliance on road transport only to and from Aswan increase costs and reduce competitiveness.
- **Knowledge of marketing and exporting:** Lack of knowledge of export procedures and marketing strategies hinders producers' export capacity.
- **Legislation:** Legislative provisions hinder the development of some clusters affecting their growth.

# Recommendations to Increase the Competitiveness of Aswan Products:



## For Policymakers

- > **Improve logistic services:** Invest in all forms of transportation and industrial infrastructure and establish industrial complexes and logistics service areas.
- > **Stimulate the investment environment:** Support startups and facilitate investment procedures, especially in the fisheries sector.



## For the Private Sector and Investors

- > **Enhance added value:** Establish production units to increase the added value of goods, thereby boosting their competitiveness.
- > **Support startups:** Incubate small factories and partner with universities and global companies in research and development.



## For Civil Society

- > **Empower traders and manufacturers:** Increase awareness of the importance of professional packaging and promote advanced industries.
- > **Strengthen capacities in the heritage industries sector:** Enhance marketing skills through market research, collaboration with designers, investment in virtual logistics, and participation in international exhibitions.

# Policy Paper 2: Mechanisms for Applying Geographical Indicators to Egyptian Products

Prepared in Partnership with [Saaed Foundation](#)

Egypt aims to achieve sustainable development by promoting its national industries and increasing the value of its exports, thereby enhancing the "Made in Egypt" slogan both locally and internationally. Utilizing geographical indicators is a powerful tool for providing a competitive advantage to Egyptian products by distinguishing them from other products and adding value in line with global quality standards. Consequently, there is a need to develop current legislation to increase intellectual property protection and enhance the role of geographical indicators.

## Situational Analysis

Egypt's adoption of intellectual property rights dates back to the 1930s with the issuance of various laws such as those on trademarks and patents. However, a strategic shift occurred with the introduction of the Intellectual Property Rights Protection Law No. 82 of 2002, now under the framework of the National Intellectual Property Strategy 2022-2027. However, Egypt continues to face challenges in protecting geographical indicators.





## Research Methodology

The results of the paper were obtained through organizing workshops, analyzing Egyptian intellectual property legislation, studying successful international models, and conducting interviews with stakeholders to understand the challenges and opportunities of protecting geographical indicators in Egypt.

## Legal Challenges

- **Lack of clear provisions** ensuring the protection and registration of geographical indicators in line with international standards.
- **Absence of a precise and comprehensive definition** of geographical indicators.
- **Lack of clarity** on the procedures required for their registration.
- Egypt has not joined the **Lisbon Agreement**, which enhances the international protection of geographical indicators.
- **The executive regulations** of the Intellectual Property Protection Law No. 82 of 2002 lack clear procedures for registering geographical indicators.

## Recommendations

- 1 Amend the Law for the Establishment of the Egyptian Intellectual Property Authority:** Update the authority's mandates and operational mechanisms and establish specialized committees.
- 2 Revise Law No. 82 of 2002 on Intellectual Property Rights:**
  - **Add Legislative Framework for Collective Management:** Address rights of authors and related rights holders.
  - **Legislative Framework for Artificial Intelligence:** Consider the impact of AI on intellectual property rights.
  - **Economic Evaluation of Intellectual Property Assets:** Implement regulations for the preservation and development of living heritage.
- 3 Form a Specialized Committee:** To define and review the functions of the Egyptian Intellectual Property Authority, ensuring alignment with existing laws.
- 4 Update the National Intellectual Property Strategy:** Address gaps in the initial version and ensure updated data on copyrights and protection of living heritage.
- 5 Manage Public Domain Works:** Establish a unit to monitor and collect works whose protection period has expired, facilitating their commercial use.
- 6 Economic Valuation of Living Heritage:** Adopt advanced intellectual property tools for evaluating and preserving living heritage, enabling its commercial exploitation.
- 7 Linking Geographical Indicators to Rural Development:** Emphasizing the role of geographical indications in promoting rural development and preserving cultural heritage by enabling local communities to economically benefit from them.
- 8 Solutions for Registering Industrial Property Elements:** Create specialized examination departments to streamline the registration process for industrial property.



# Policy Paper 3: Developing Productive Clusters

Prepared in Partnership with **Kayan Foundation**

## Background

This paper aims to improve the performance of production clusters in Egypt by reviewing existing policies and laws and proposing necessary amendments to enable these clusters to reach their full potential.

## Research Methodology

The research involved conducting workshops and extensive discussions among a group of experts and specialists in entrepreneurship, law, and finance, as well as representatives from local production clusters. The current situation of production clusters was analyzed, key challenges were identified, and solutions were proposed.

## Challenges

### Legislative Challenges

- **Delays in issuing executive regulations** for entrepreneurship-related laws.
- Need to amend the **Small and Micro Enterprises Development Law No. 152 of 2020**: The law requires the addition of a separate section for entrepreneurship.
- **Complexity of company registration and closure procedures**, which hinders new investors from entering the market and increases closure costs for companies unable to continue.

### Organizational and Procedural Challenges

- **Overlap and conflict of responsibilities** among ministries and local authorities, affecting the efficiency of policy and project implementation.
- **Lack of monitoring and evaluation** of small and medium-sized enterprises (SMEs) weakens their ability to identify gaps and continuously improve performance, leading to resource wastage and reduced potential returns from these projects.

## Recommendations

### 1 Add an Entrepreneurship Section to Law No. 152 of 2020:

- **Legal Definition of Entrepreneurship:** The law should be amended to include a precise and comprehensive definition of entrepreneurship, covering the activities involved and legislative support mechanisms.
- **Administrative and Financial Facilitation:** Include provisions for administrative and financial facilitation for entrepreneurial ventures, such as tax reduction and reduction of bureaucratic procedures, to encourage youth to start their own businesses.
- **Support for Innovation and Development:** Incorporate provisions to stimulate innovation and development within start-ups and provide technical and scientific support through partnerships with research institutions.

### 2 Enhance the Export Capacity of Small and Medium-Sized Enterprises (SMEs):

**Training Programs and Technical Consultations:** Provide specialized training programs and technical consultations to help enterprises improve product quality and comply with international standards, facilitating their entry into global markets.

**Marketing Strategies for International Markets:** Develop marketing strategies targeted at international markets, including promotional campaigns and participation in international trade fairs.

### 3 Recognize Social Entrepreneurship:

**Incorporate Social Entrepreneurship into Legislation:** Recommend amending existing laws to include a clear definition of social entrepreneurship, supporting projects that aim to achieve social impact alongside profitability.