

BiInnovation Technical Exchange Series - Session N°6: Learning about BioInnovation Africa's value chains

Summary of discussion points raised during the Q/A session

Thursday, 8 October 2020

Discussion on the draft value chain analysis tool:

- *Comment:* As a regulator it is of great importance to know the steps the resource takes until it reaches the consumer level. Therefore, the tool can become very useful.
- *Comment:* The tool can help to induce realistic expectations of possible benefits and when they will be disbursed.
- *Comment:* The pie chart at the very end could indicate that the ingredient in the final product is not of greater importance. Industry therefore deliberately only integrate small percentages.
 - *Answer:* It should not be seen as a percentage in volume. It is meant to display the potential value of the resource for the final product.
 - *Objection 1:* In general this is correct, unless the ingredient has no powerful activity in the product and drives its use it can be easily substituted. And this is important for the regulator to know. To retrace this it would need sophisticated institutions to follow up.
 - *Objection 2:* When negotiating benefit-sharing one needs an idea of the value of the resource to the final product. The main focus is then not to get into a micro-management but instead to enable the regulator to evaluate a fair share.
 - *Comment on the two objections:* Some resources in the Biotrade sector are replaceable, therefore one needs to think about opportunity cost calculations as well. Those convertible resources diminish the negotiation position of the provider.
- *Question:* What consequences occur if the packaging displays a Marula fruit for instance?
 - *Answer:* Using images and stories around a fruit for example can be part of the mutually agreed terms and lead to a remuneration – similar to the use of genetic resources. The use of images etc. to promote the product can be as powerful as the use of genetic resources itself.
 - *Comment 1:* Volume of a resource may be a component of the value creation or it may even not add to the value at all. Then often specific resources are used to link the product to a specific story, community or ritual. Value is added in different ways by different actors. Therefore, the tool should emphasize where and how value is added.

- Comment:* Maybe an access demand that has been filled in with diligence by the user would allow the regulator to clearly indentify all the steps displayed by the tool. Regulators and users can go through the tool during their negotiations and discuss the different steps and thus create a new layer of transparency.

