

## *EXECUTIVE SUMMARY*

# **Strategy for Security of Supply**

In recent years, Denmark has experienced a series of complex crises which have had serious consequences for Danish society. The overall risk assessment has changed significantly and is now, to a larger degree, characterised by increased complexity and unpredictability. The past years' development has shown, that security of supply and security politics are intrinsically linked, and that in certain areas, Denmark and Europe have become too dependent on the outside world and on individual third countries. Thus, on the one hand, the recent decades of globalisation have contributed to low cost of manufacturing and a greater degree of flexibility in terms of selecting suppliers. However, on the other hand, globalisation has led to complex supply chains for a multitude of critical resources.

The Strategy for Security of Supply has been developed in collaboration with ten government ministries, and establishes guidelines for how national authorities, who are responsible for vital societal functions, can ensure resilient supply chains. The goal is to avoid being needlessly vulnerable and to ensure the functionality of vital societal functions in the event of a supply crisis. Vital societal functions refer to the activities, products, and services that are essential for a society's ability to function. 112 vital societal functions have been identified across 15 sectors.

The strategy does not replace the principle of authorities being responsible for their own preparedness planning. However, it is necessary that authorities, as well as private businesses, who are responsible for vital societal functions, are aware of any potential weaknesses or vulnerabilities in the supply of critical resources, and work systematically to address them.

The Danish Critical Supply Agency can advise government authorities in conducting analyses of supply chain vulnerabilities, by providing a concept with tools and workshops tailored to the individual authority. This includes a structured process, considering critical resources, mapping of supply chains, vulnerability analysis and drafting action plans. This will take into consideration the differences between the sectors and various vital societal functions, that fall under the purview of the authority in question.

## Key Steps in the Vulnerability Analysis

1	Vital societal functions	Which vital societal functions fall under the purview of the authority in question?
2	Critical infrastructure	Which critical infrastructure are important for the vital societal function?
3	List of products	What products are purchased for the critical infrastructure?
4	Products of strategic importance	What products are particularly important and risk-inducing?
5	Map out supply chains	How are the products of strategic importance acquired?
6	Critical links in the supply chain	How vulnerable are the supply chains of these particular products?
7	Risk assessment	How can the risks associated with product acquisition be addressed?
8	Recommendations and final report	Basis for decision-making

The strategy is part of a broader effort to strengthen the resilience of Danish society. The strategy is set to be in effect from 2023-2025.

The strategy contains 14 concrete initiatives within four strategic benchmarks.

### The four strategic benchmarks are:

- Strengthen the foundation of Danish security of supply in order to support the public, vital societal functions.
- Resilient supply chains for public, vital societal functions.
- Efficient crisis management.
- Close relations with the private sector.

**Strategic objective 1: Strengthen the foundation of Danish security of supply in order to support the public, vital societal functions.**

- National analyses of strategic dependencies relevant for the vital societal functions will be carried out by the Danish Critical Supply Agency.
- Compiling of knowledge and highlighting research opportunities in security of supply.

**Strategic objective 2: Resilient supply chains for the public, vital societal functions.**

- The ministries can create an overall plan for how the individual ministries will work to strengthen the resilience of supply chains for the vital societal functions, that fall under their purview.
- The Danish Critical Supply Agency will develop a concept for vulnerability assessment, which authorities with responsibility for vital societal functions can utilise to create a continuous overview of weaknesses in the supply of critical resources.
- The Danish Critical Supply Agency will carry out assessments of cross-sectional weaknesses, which have not already been addressed by the sector-responsible authorities.
- Share and create solutions amongst authorities through a forum on security of supply.
- The Danish Critical Supply Agency will create an overview of mitigating initiatives (e.g. stockpiling, contingency contracts)
- The Danish Competition and Consumer Authority will, with the involvement of relevant authorities, among others the Agency for Public Finance and Management, develop guidelines for applying security of supply as a consideration in public procurement and contract management.

**Strategic objective 3: Efficient crisis management**

- Authorities should take security of supply into consideration in their preparedness planning, e.g. by creating sub-plans for security of supply. The concept and guideline material will be drawn up by the Danish Critical Supply Agency.
- Authorities can conduct preparedness exercises based upon supply crisis scenarios, and conduct reviews of incidents regarding security of supply. The concept and guideline material will be drawn up by the Danish Critical Supply Agency.

- An annual report on the effort to ensure resilient supply chains for the vital societal functions.
- In the event of a crisis, the Danish Critical Supply Agency can contribute to situational awareness and communicate this to relevant actors.
- The Danish Competition and Consumer Authority will, with the involvement of relevant authorities, among others the Agency for Public Finance and Management, develop guidelines for the application of extraordinary procurement initiatives by public authorities in times of crises.

**Strategic objective 4: Close relations with the private sector**

- The Danish Critical Supply Agency will facilitate a dialogue with relevant industries through a forum focused on the challenges associated with ensuring supplies to vital societal functions, including in times of crises.