

# NEW ROLE OF VALUE CHAIN DEVELOPMENT IN TIMES OF CRISES



15 September 2022

# VALUE CHAIN DEVELOPMENT IN THE PAST

## Up to now:



- Wide Global Value Chains



- Focus on Cost Optimization



- Just in Time Production

## But, only possible, if:

### Flexible Suppliers



### Continual Demand



### Reliable Infrastructure



# TODAY: VULNERABILITY OF GLOBAL VALUE CHAINS IS OMNIPRESENT

- ⚡ Corona lockdowns
- ⚡ Blockage of transportation routes
- ⚡ Extreme weather events
- ⚡ Demand fluctuations and Bullwhip Effect
- ⚡ Geopolitical conflicts – **Ukraine Crisis**



➡ Supply chain disruption has become an increasingly challenging issue

# WHAT IS THE DANUBE ALLIANCE?

- The **Danube Alliance for SME Competitiveness** is the flagship project of Priority Area 8 of the EU Strategy for the Danube Region (EUSDR) since 2021
- Focus is on **understanding, analysing** and **developing** of resilient bioeconomic value chains with significant potential in the Danube region
- Aim is to support SMEs in getting embedded in new and more resilient value chains

The consortium:



The Danube Alliance is supported by



# OUR DEFINITION OF RESILIENCE



# NEW FUNCTIONS OF VALUE CHAIN DEVELOPMENT TODAY

## Reconstruction

- Reconstruct broken Value Chains after crises (COVID, Ukraine)

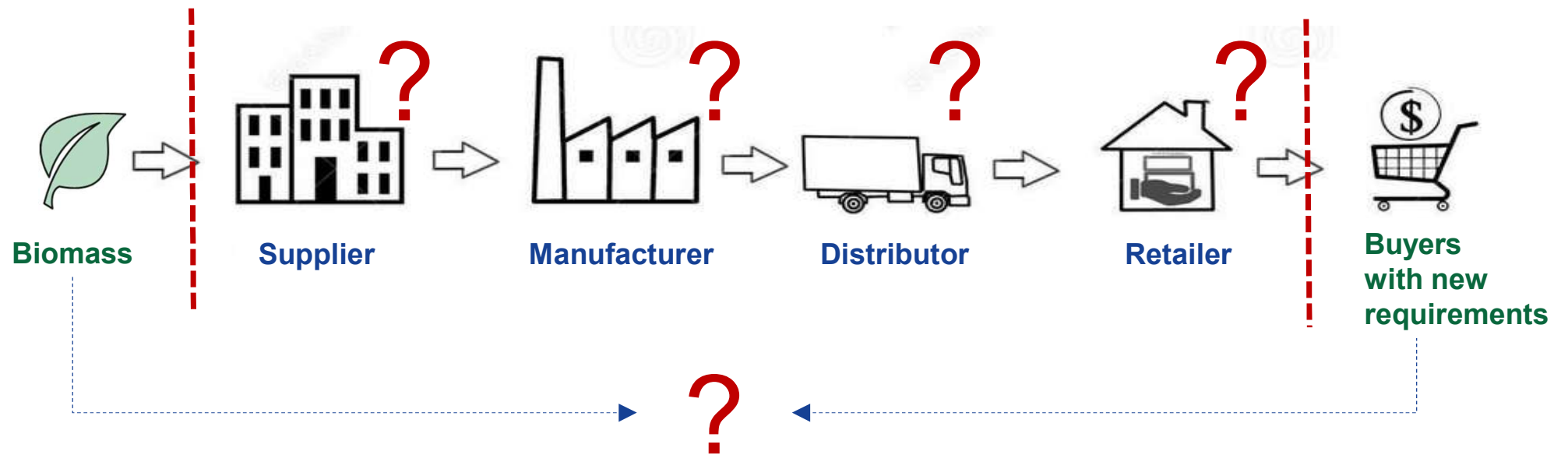
## Resilience

- Building Resilience due to increasing expectation of further crises

## Development

- New Value Chains as a result of changing requirements and possibilities

# BIOECONOMY AS (STILL UNKNOWN) ENABLER



## THE MISCANTHUS CASE

- Reed grass with high energetic potential
- Possibility of becoming an important raw material for the bioeconomy due to its versatility:
  - ↳ High adaptability in terms of location, temperature and water availability
  - ↳ CO2 capturing and humus formation
  - ↳ Renewable, low-cost and perennial raw material
  - ↳ Bio-based generation of electricity, heat and fuel
  - ↳ Material use, e.g. as building and insulating material
- Pilot project in northwestern Bulgaria: Combining biomass from crop residues with miscanthus grasses from non-agricultural areas
- Case offers high ecological as well as socio-economic added value

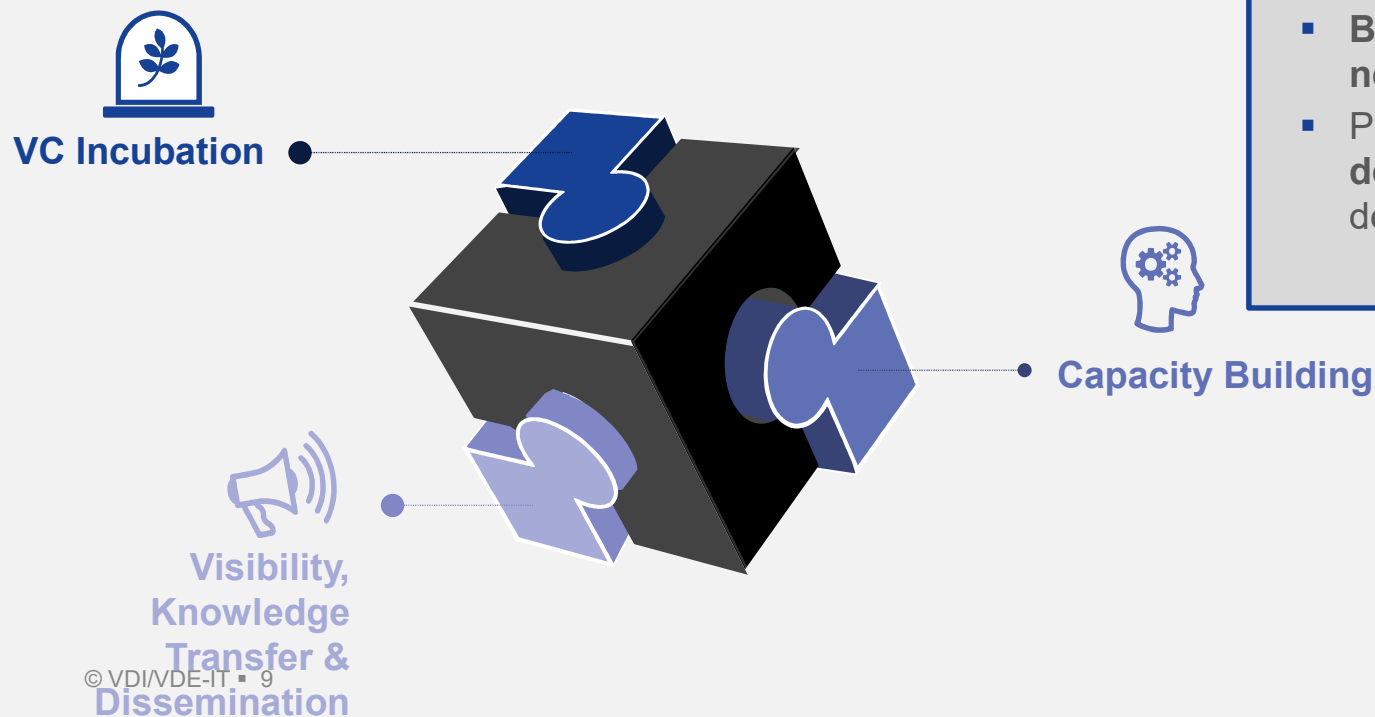


Miscanthus grass. (Adobe Stock Photo)



# GOOD PRACTICE – ACT & ADAPT FOR MISCANTHUS VALUE CHAIN DEVELOPMENT

The Danube Alliance as a collaborative platform:



## NEXT STEPS

- Presenting the case in Bulgaria to regional policy and stakeholders
- Building further partnerships and networks
- Provide a **toolbox for regional developers** to support the local value chain development

THANK YOU, WE LOOK FORWARD TO  
WORKING TOGETHER!