

Team Europe Initiative on Sustainability in Global Value Chains

Context

On 23 February 2022, the European Commission adopted a **proposal for a Directive on Corporate Sustainability Due Diligence (CS3D)**, which is currently being negotiated with the European Parliament and the Council.

The CS3D will require larger EU companies and non-EU companies with significant operations on the EU internal market to identify, prevent and mitigate adverse human rights and environmental impacts in their operations and global value chains. It is expected to enter into force in 2024 with a two-year transposition period.

Need for implementation support

By extending due diligence obligations to companies' global value chains, the Directive has a **strong external dimension and impact, involving different actors in partner countries**, such as businesses, governments, civil society etc. The implementation of the CS3D will potentially be a challenging endeavour for these stakeholders. Reactions and feedback show that actors in partner countries are often not familiar with the concept of due diligence or perceive the legislation as a non-tariff barrier to trade. It is important that **EU due diligence legislation is implemented in an inclusive way** (taking production countries' development context and dynamics into account and ensuring partnership), to mitigate risks such as disengagement and other adverse impacts.

It is therefore **important to convey that the EU actively seeks to cooperate with and support partner countries** for an effective and inclusive implementation of the CS3D. In addition to the engagement and investment of EU companies in their value chain, meaningful accompanying support to partner countries, especially for small and medium-sized enterprises, is needed to ensure a positive impact of the legislation. *Coordination at EU level*

In line with **article 14 CS3D**, the European Commission and Member States already provide numerous support measures to promote sustainability in global value chains. However, the large number, variety and scope of measures may be confusing for all stakeholders to identify which actions are most appropriate for their particular circumstances.

The need for coordination of support measures creates a clear case for **cooperation as a 'Team Europe'**. Therefore, the European Commission together with Germany and a group of interested Member States have launched a **Team Europe Initiative on Sustainability in Global Value Chains (TEI)** to improve the coordination of accompanying support.

Objective

The aim of this TEI is to assist stakeholders from partner countries identify **existing and future accompanying support**. At the same time, the TEI works on coordination to help **avoid a fragmented European support landscape** and instead contribute to **strong positive visibility and impact** of a combined effort to present Europe as a strong partner for and supporter of effective implementation of global standards. The TEI thereby provides an opportunity to work in closer partnership with production countries. Apart from selecting the most relevant existing tools, the TEI will also coordinate future accompanying measures, both internally (between Member States and the European Commission) as externally (between TEI members and international organizations and other partners).

EU Helpdesk

As a first and key instrument, an **EU Helpdesk** shall be set up under the TEI and function as a **one-stop shop**. It will offer **information in multiple languages** and provide **technical support** to help stakeholders in partner countries to identify the most appropriate accompanying measures available to them at national, European or international level. The EU Helpdesk will consist of four different entrances, for (i) partner country businesses, (ii) government institutions, (iii) civil society actors and workers organisations, and (iv) multi-stakeholder initiatives. The core funding of the EU Helpdesk, to be launched in 2024, will be provided by the European Commission and Germany.

Organisational structure

The TEI's overall strategic direction is overseen by the **Political Steering Group** (PSG) consisting of all participating Member States, DG INTPA, and, where relevant, DG GROW, DG TRADE and DG NEAR. Decisions at operational level are taken by the **EU Helpdesk Management Group** consisting of PSG members who provide funding, contribute in-kind or are committed to participate actively in the group. On specific thematic issues, interested TEI members can set up distinct Management Groups or build on existing international formats for exchange and coordination. The **TEI Secretariat**, operated by GIZ and with possible future staffing contributions by other Member States, assists both groups and ensures smooth day-to-day operations of the TEI. A **Mirror Group** of International Organizations is regularly being consulted to provide feedback and to strengthen alignment of the TEI's activities to the needs of stakeholders in production countries.

