

Team Europe Initiative on Sustainability in Global Value Chains

Context

On 25 July 2024, the Directive on Corporate Sustainability Due Diligence (CS3D) entered into force. Member States are required to transpose the Directive into national law by 26 July 2026. One year later, the rules will begin applying to a first group of companies with a gradual roll-out to all companies in scope between 3-5 years, with full application by 26 July 2029.

The CS3D requires that large EU companies (>1,000 employees and EUR 450 million in turnover) and non-EU companies with substantial operations within the EU market (>EUR 450 million in EU turnover) identify, prevent, and mitigate adverse human rights and environmental impacts across their operations and global value chains.

Need for accompanying support

By introducing due diligence obligations for companies across their global value chains, the Directive has a significant external dimension, likely to have implications for diverse actors in partner countries—businesses, governments, civil society, etc. Feedback has indicated that many stakeholders in these countries are either unfamiliar with the concept of due diligence or perceive the Directive as a non-tariff barrier to trade. Additionally, the potential benefits of the Directive, such as improved access to justice and remedy for rightsholders and competitive advantages for sustainable companies, are often not well understood.


For effective implementation, it is essential that this EU due diligence legislation is carried out inclusively – considering the development context and dynamics of partner countries and fostering partnership. This approach aims to maximize the Directive's benefits and mitigate risks, including potential disengagement and other adverse impacts.

It is therefore critical that the EU actively seek to support partner countries in getting ready for the upcoming CS3D and the raised expectations of in-scope companies. Beyond EU companies' engagement and investment in their value chains, accompanying support is needed for partner countries, particularly small and medium-sized enterprises, to ensure the legislation has a positive impact.

Coordination at EU level

The European Commission and Member States already offer numerous accompanying measures to promote sustainability in global value chains for stakeholders in partner countries. However, the broad range of measures may make it challenging for stakeholders to identify which actions are most appropriate for their specific needs.

This need for coordination underscores the case for collective action as 'Team Europe'. Accordingly, the European Commission and interested Member States (BEL, DEU, FRA, ITA, LUX, NDL, SWE), have established the Team Europe Initiative on Sustainability in Global Value Chains (TEI) to enhance the coordination of these support measures.



Objective

The TEI works to prevent a fragmented European support landscape, striving instead to achieve strong, positive visibility and impact through a unified European effort. The objective of the TEI is to help stakeholders from partner countries identify existing support measures. The TEI also provides a platform for EU Member States to discuss potential collaborations and has the potential to fill the gap in creating new support measures both within the EU (among Member States and the European Commission) and externally (between TEI members, international organizations, and other partners).

EU Helpdesk

As an initial and central resource, the TEI will establish an EU Helpdesk to function as a single entry point. This Helpdesk will offer basic information on the CS3D in multiple languages and assist stakeholders in partner countries in identifying the most relevant support measures available to them at national, European, or international level. The EU Helpdesk will target four key groups in partner countries: (i) businesses, (ii) government institutions, (iii) civil society organizations and social partners (including workers and trade unions), and (iv) multi-stakeholder and industry initiatives. Core funding for the EU Helpdesk, scheduled for launch in 2025, is provided by the European Commission and Germany.

Organisational structure

The TEI's strategic direction is guided by a Political Steering Group (PSG), comprising all participating Member States, DG INTPA, and other relevant Commission services. Operational decisions concerning the development of the EU Helpdesk are made by the EU Helpdesk Management Group, which includes PSG members who contribute financially, provide in-kind support, or actively participate in the group. The TEI Secretariat, operated by GIZ with potential future staffing support from other TEI Member States, assists both groups, ensuring smooth day-to-day operations. A Mirror Group of international organizations, who are implementing some of the support measures to which the Helpdesk will refer to, is regularly consulted to provide feedback, enhancing alignment between the TEI's activities and their work.

