Moving the Needle Seminar #17:

Navigating EU Textile Waste Regulation: A Comprehensive Overview

07 February 2024

In July 2023, the European Commission published its proposal to revise the Waste Framework Directive. The main objective of the revision is to make producers responsible for the full lifecycle of textile products and to support the sustainable management of textile waste across the EU. In November 2023, the European Parliament and the Council reached a compromise on the new Waste Shipment Regulation. The primary objective of the new law is to make sure the EU no longer exports its waste problems to third countries. In December an agreement on new Ecodesign rules followed, including a ban on destroying unsold clothing and footwear. Together, these new laws will change the way the EU handles textile waste.

This seminar is designed to demystify the landscape of EU waste legislation. We will dive into the Waste Framework Directive (WFD) and touch upon the Waste Shipment Regulation (WSR), addressing crucial aspects, including the legislative scope, progress, and promotion of sustainable waste practices. We will particularly explore mandatory extended producer responsibility, as well as end-of-life criteria to better distinguish textile waste from second-hand clothing.

Summary

In November 2021, the European Commission (EU COM) introduced a groundbreaking proposal for a new Waste Shipment Regulation aimed at significantly tightening regulations on waste exports across all waste streams. In November 2023, an agreement was reached between the European Parliament and the Council. The primary objective of this new law is to ensure that the EU no longer "exports its waste problems" to third countries. Of particular note is the proposal's emphasis on limiting the shipment and disposal of textile waste beyond EU borders, allowing such practices only under exceptional circumstances. The WFD already contains an obligation for

Member States to establish separate collections of textile waste by 2025. This proposal gives further substance to how Member States should structure their textile waste collection obligation. The EU Commission is proposing to introduce mandatory and harmonized Extended Producer Responsibility (EPR) schemes for textiles in all EU Member States. Producers will cover the costs of management of textile waste, which should incentivize them to reduce waste and increase the circularity of textile products. How much producers will pay to the EPR scheme will be adjusted based on the environmental performance of textiles, known as 'eco-modulation'.

Further, the WFD will clarify what constitutes textile waste and what are considered reusable textiles (establishment of "end of life criteria") to stop the practice of exporting textile waste disguised as second-hand clothing. This complements measures under the new Waste Shipments Regulation.

The EU COM's proposal encompasses three core objectives:

- Ban for member states to export waste for disposal to third countries and to export hazardous waste destined for recovery in non-OECD countries. For shipments outside the EU member states, the co-legislators agreed that waste management facilities at the country of destination should be audited by independent bodies.
- Ban on the shipment of all waste destined for disposal within the EU. Intra-EU shipments of waste for recovery operations will continue to be allowed following the less stringent procedure set out in the general information requirements ('green-listed waste').
- Measures Against Illegal Shipments: Strengthen controls to combat illegal waste shipments.



Marie-Jeanne Gaertner,
Project and Advocacy Officer, Rreuse

Marie provided insight into how the new regulation will facilitate the collection and management of used and waste

textile products, ultimately incentivizing manufacturers to reduce waste production. A crucial aspect involves the designation of a Producer Responsibility Organisation (PRO) to assist manufacturers in meeting their financial and operational obligations, including fee modulation. This streamlined approach not only aids in waste data management and processing but also establishes a universal collection system for used textiles, alleviating administrative burdens on producers.

In striving for effective textile collection and management, Marie emphasizes three key factors:

- 1. Prioritizing local reuse through the establishment of national targets and the distribution of funding aligned with the waste hierarchy. Additionally, preserving direct donations to social enterprises plays a vital role in this process.
- 2. Ensuring a central role for social enterprises in textiles collection and management, guaranteeing their participation and contribution to the process.
- 3. Aligning eco-modulation rules and fees with the waste hierarchy to support effective waste management practices and incentivize sustainable behaviors among stakeholders.



Beatriz Fernandez,

Associate Programme Management Officer, UN Environment Programme

Beatriz highlighted how UNEP supports the new regulation by emphasizing the crucial role of waste management in the

textile sector, which contributes 2-8% of the world's greenhouse gas emissions and requires 0.58kg of chemicals to produce 1kg of textiles. UNEP's report, 'Sustainability and Circularity in the Textile Value Chain: A Global Roadmap,' delineates the individual and collective actions required by each stakeholder group to achieve a circular textile sector. The report identifies three priorities: shifting consumption patterns, improved practices, and infrastructure investment, all interdependent and necessitating significant effort. Consequently, the Roadmap divides this endeavor into nine building blocks, each with priority actions tailored to different stakeholder groups.



Edwina Huang, Co-Founder, Pheonxt

Edwina, a trailblazer in recycling textile waste, offered insightful reflections on the evolving landscape of the industry and the challenges manufacturers are poised to encounter in

complying with forthcoming regulations. Central to her discourse was the pivotal question of how to address the circular waste gap and determine responsibility for waste management. She advocates for a collaborative approach, asserting that shared responsibility will be instrumental in fostering a circular economy. Edwina expresses optimism regarding the Waste Framework Directive's potential, anticipating its reinforcement and enhanced accountability mechanisms. Embracing a stance of openness to learning new strategies, she underscores the importance of implementing a universal approach alongside Producer Responsibility Organizations (PROs) to effectively navigate these changes.

To learn more, watch the recording of the Seminar. The slides presented in this seminar are attached below. For more online seminars on similar topics, check out the Asian Dialogues Series.

Published by:

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH Registered offices Bonn and Eschborn, Germany

FABRIC Asia No. 27, Street 302, Boeung Keng Kang 1 Phnom Penh, Cambodia

lisa.ramershoven@giz.de www.giz.de

Author: Nasya Quintanilla GIZ is responsible for the content of this publication.

Layout: Alsharq

On behalf of the Federal Ministry for Economic Cooperation and Development (BMZ)

As of 26 February 2024











NAVIGATING EU TEXTILE WASTE REGULATION: A COMPREHENSIVE OVERVIEW

Expert input on EU waste legislation



PROPOSAL FOR A NEW WASTE FRAMEWORK DIRECTIVE

WHERE DOES THE WFD LEGISLATIVE PROCESS CURRENTLY STAND?

EUROPEAN COMMISSION

5 July 2023: Commission' proposal released

EUROPEAN PARLIAMENT

14.02: Vote in ENVI Committee

11-14.03: Vote in plenary

COUNCIL OF THE EU

Examination phase

WHAT IS COVERED? EPR SCOPE

Scope:

- Manufacturers
- Importers
- Distributors

Appoint a Producer Responsibility
Organisation (PRO) to fulfil their financial
and operational obligations:

- 1. Set up a separate collection system for used textiles
- 2. Provide consumers with information on sustainable consumption, re-use & disposal of the textiles

Exemption:

- Micro-enterprises
- Self-employed tailors
- Second-hand textiles, textile-related products and footwear

Material scope:

- Household textile products
- Other articles of apparel, clothing accessories and footwear

Collection and transport

- free of charge
- proportionate frequencies

Residual waste

- free of charge collection
- transportation and subsequent treatment



Operations

- sorting
- preparation for re-use
- recycling
- recovery
- disposal

Survey, research, reporting

- surveys on the composition of mixed collected municipal waste
- research and development of sorting and recycling technologies
- reporting on separate collection, re-use, etc.

NEW RULES FOR TEXTILE WASTE COLLECTION

Actors

- Social economy entities
- Distributors
- Public authorities
- Third parties carrying collection on their behalf.

Priority

- 1. re-use
- 2. high-quality recycling
- Protect reusability of collected textiles
- Separately collected textiles subject to a screening at the point of collection to prevent contamination

Collection points

- Should not be subject to registration or permit requirements
- Should be used for used and waste textiles together
- All textiles collected through these collection points would be considered waste

AND FOR TEXTILE WASTE WANAGEMENT



Main objective: re-use.

Granularity: separating clothes fit for direct re-use vs preparation for re-use operations.



EoW status: After sorting and eventual preparation for re-use, the re-use operator can declare an item as fit-for-reuse.

Landfilling should be avoided and incineration would only be allowed if energy recovery is applied.

ECO-MODULATION RULES

Member States shall harmonise criteria for the eco-modulation of fees according to the following parameters:



END-OF-WASTE CRITERIA FOR TEXTILE WASTE

JRC WORK ON EU-WIDE EOW CRITERIA FOR TEXTILES

AIM

Harmominsed sorting requirements at EU level

CURRENT PROPOSAL

EoW point for re-use: after sorting and preparation for re-use EoW point for recycling: after the recycling process (output material)

TIMELINE

Q1/2026: Technical proposal for EoW criteria for textile waste

WHERE DOES RREUSE STAND?

RREUSE NETWORK'S IMPACT IN TEXTILES

341,000 TONNES

COLLECTED EVERY YEAR

39,000 TONNESLOCALLY REUSED



WASTE HIERARCHY AND THE PROXIMITY PRINCIPLE AT THE CORE



20 TO 35 JOBS CREATED
PER 1,000 TONNES COLLECTED

JOBS AND TRAINING OPPORTUNITIES
FOR VULNERABLE INDIVIDUALS IN
THE CIRCULAR TRANSITION

VIRTUOUS CYCLE:

PEOPLE LINK DONATIONS TO SOCIAL BENEFITS

→ INCREASED MOTIVATION TO DONATE

HOW CAN TEXTILE SORTING GO WRONG?



SOCIAL ENTERPRISE'S
BUSINESS MODEL
THREATENED

PREMATURE RECYCLING
OF RE-USABLE GOODS

WASTE MOUNTAINS KEEP GROWING

FAST FASHION BUSINESS MODEL KEEPS GROWING

ADDITIONAL COSTS FOR SORTERS

HOW TO GET TEXTILES COLLECTION AND MANAGEMENT RIGHT?





GUARANTEED CENTRAL ROLE
FOR SOCIAL ENTERPRISES IN
TEXTILES COLLECTION AND
MANAGEMENT

THAT DRIVE THE TEXTILE
SECTOR'S CIRCULAR
TRANSITION

1. LOCAL RE-USE PRIORITIZED

- Set national targets for local preparation for re-use, re-use and recycling
- Funding distribution has to be aligned with the waste hierarchy
- Preserve direct donations to social enterprises as a way to maximise local re-use

2. GUARANTEED CENTRAL ROLE FOR SOCIAL ENTERPRISES IN TEXTILES COLLECTION & MANAGEMENT

- Collected textiles to be sorted preferentially by social enterprises
- Social enterprises' activities to be financed by EPR fees:
 - collection
 - sorting
 - residual waste after sorting
 - R&D for re-use
 - training
- Social enterprises should receive support in the transition
- Donations must be limited to social enterprises

3. ECO-MODULATION RULES DRIVING THE TEXTILE SECTOR'S CIRCULAR TRANSITION

- EPR fees: cost-covering eco-modulated
- Eco-modulation fee criteria: waste-hierarchy alignment quantity and quality (durability, repairability...) of goods placed on the market
 - EPR fees to support re-use and circular business models on a **permanent basis**

THE FUTURE WE WANT TO CREATE

- 1 High EPR fees reducing waste generation
- 2 Appropriate cost-coverage driving the re-use sector's growth
- Eco-modulated fees driving more circular production and reducing the volumes

= Vast societal benefits:



o Jobs

o Resources use and CO2 reduction

Green and just transition

Read our guiding

principles for textiles

collection and

<u>management</u>

BEST PRACTICES FOR IMPLEMENTATION

1. LOCAL LEVEL: MUNICIPALITY OF VICENZA



Introduction of a separate preparation for re-use fee

PRIORITISING SOCIAL ENTERPRISES

Reserved contracts for social enterprises

INSIEME'S EXPERIENCE

Social Fabric project: 3 social enterprises collecting 1,500 tonnes/year Strong interconnection with public waste authority

2. REGIONAL LEVEL: PROVINCE OF VORARLBERG

ALL MUNICIPALITIES COMMITTED TO COOPERATE EXCLUSIVELY WITH SOCIAL ECONOMY FOR TEXTILE COLLECTION

highest per capita collection rate compared to other provinces

LOCAL SORTING FOR LOCAL SALES PLUS MORE
THAN 200 FRACTIONS FOR EXPORT

MAXIMUM LOCAL EMPLOYMENT AND POVERTY PREVENTION

HAI GmbH

3. NATIONAL LEVEL: SPANISH LAW

ON WASTE AND CONTAMINATED SOIL FOR THE CIRCULAR ECONOMY (2022)

COLLECTION, TRANSPORT, AND TREATMENT OF TEXTILE WASTE

50% of tenders are reserved to social enterprises

THE NEW LEGAL REQUIREMENT PROTECTING THE SECTOR

over 60% of contracts were already awarded to social enterprises

ISSUE: NO LEGAL CONSEQUENCES IN CASE OF NON-COMPLIANCE

THANK YOU FOR YOUR ATTENTION!

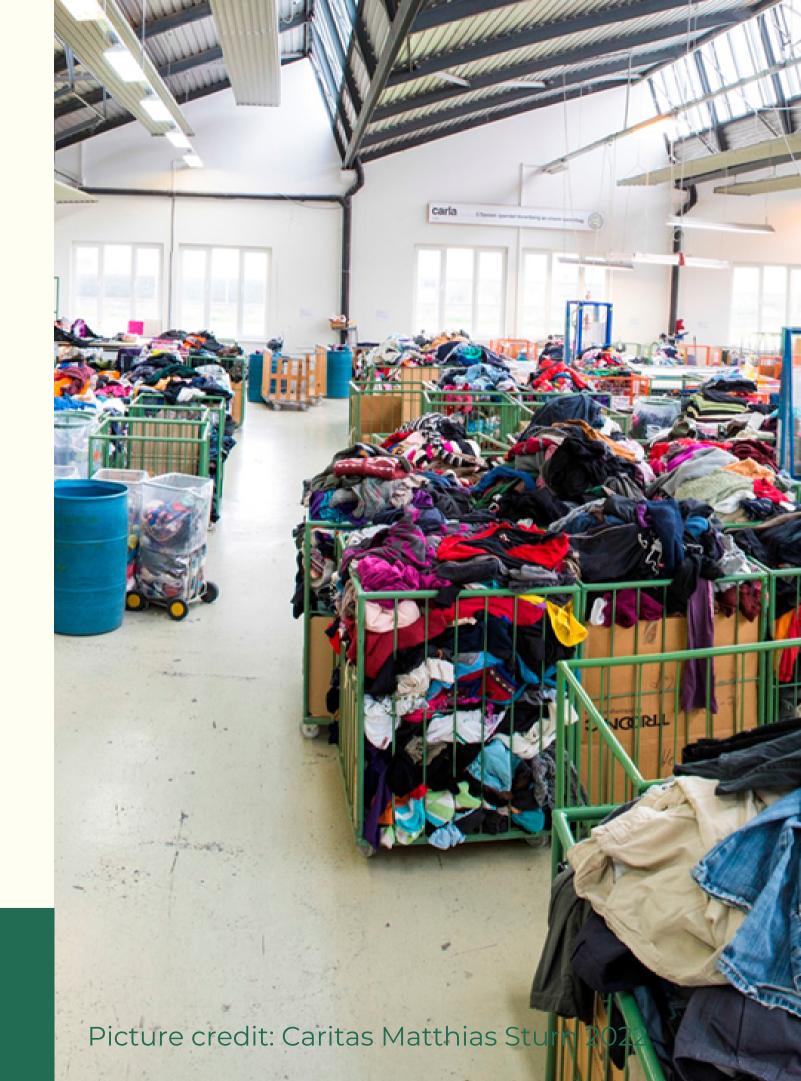


Marie-Jeanne Gaertner

marie-jeanne.gaertner@rreuse.org



www.rreuse.org









GIZ Webinar
Navigating EU Textile Waste
Regulation: A Comprehensive Overview

UNEP Initiative: Circularity in Used Textiles Trade

07 February 2024

Beatriz Fernandez
Associate Programme Management Officer
UN Environment Programme

Triple Planetary Crises, Textiles sector and MEAs





2-8%

of the world's greenhouse gas emissions



86 million

Olympic-sized swimming pools Of natural water used



Pollution 0.58 kg

of chemicals are required to produce 1 kg of textiles

Paris Agreement

Article 2.1.a. - Limit global warming to well below 2°C, pursuing efforts to limit to 1.5°C

Kunming-Montreal Global Biodiversity Framework

Target 15 - Businesses assess and biodiversity dependencies, disclose impacts and risks, and reduce negative impacts

Global Framework on Chemicals

Target A3 - By 2030, companies implement measures identified to prevent or minimize adverse effects from chemicals.



Three priorities to deliver system change in the textile value chain





Shifting Consumption Patterns

Optimising design, business models and consumer behaviour



Improved Practices

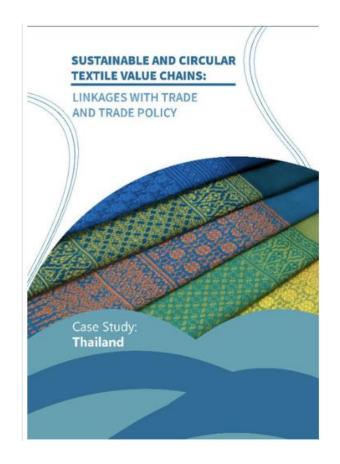
Optimising practices and behaviour in existing sites, companies and processes



Infrastructure Investment

Investing in shared physical technology and systems





<u>Sustainable and Circular Textile Value Chains:</u> <u>Linkages with Trade and Trade Policy - Case</u> <u>Study: Thailand (unep.org)</u>

- Trade and trade policy have an important role to play in the transition towards a green and circular economy. Yet its potential has not yet been fully unlocked.
- Environmental hotspots in textile value chains in Thailand and trade policy instruments that can have an impact on sustainability and circularity.
 For instance, removal of tariffs for clean technologies, sustainable trade finance programs, VSS.
- Builds on UNEP's Framework for Sustainability and Circularity in the Textile Value Chain.







Building sustainable solutions for used textiles trade



Challenges

- Clothing production has approximately doubled in the last 15 years.
- The number of times a garment is worn before being discarded has **decreased 36%**.
- The textile sector loses USD\$500 billion of value from discarded textiles annually, of which an estimated 95% can be reused or recycled.
- Most end-of-life textiles are disposed into landfill or incinerated, instead of being reused or recycled.
- Many textiles traded to the global south countries with limited or non-existent infrastructure to sort, resell, refurbish or recycle the traded used textiles; leading to severe environmental, economic, and social impacts.



- A holistic understanding of the drivers for trade in textile waste, from both exporting and importing countries.
- A harmonized approach and quality data to measure the flow of used textiles and textiles waste across countries/regions.
- Capacity building, technical assistance and knowledge development to support decision making in policy and business towards a circular economy and sustainable trade of used textiles.



Circularity and Used Textiles Trade Project







Overview

- Participating countries: **Ghana, Kenya, Tunisia and Pakistan** world's top importers of used textiles.
- In collaboration with **governments** environment, trade, industry and development agencies, **policymakers**, **industry partners**, **civil society**, **intergovernmental and trade organizations**.
- Project funded by the <u>European Union</u>, duration from 1 October 2023 30 September 2025.



Objectives

- 1. Produce a global guideline to 'determine the suitability to trade products as used textile', and of a criteria to differentiate between used-textiles and textile waste, to help accelerate the transition to circular and green(er) economies protective of the environment and promoting sustainable social development and economic growth.
- 2. Create and facilitate platforms for knowledge exchange and dialogue among exporting and importing countries to advance a sustainable trade of used textiles, to promote circularity in the sector, support sustainable socio-economic growth, and help alleviate negative impacts on the environment and human health.



Circularity and Used Textiles Trade Project







Outputs





A global guideline and criteria to differentiate a used-textile product from waste, and to determine the suitability of exporting used textiles to promote circularity in the textiles sector. This will include identification and understanding of:

- Global used-textiles trade flows
- Dynamics of used textiles on how they are:
 - i) Prepared for exports in source countries
 - ii) Transported to destination countries, via transit hubs or directly, and their handling during transit
 - iii) Used in importing countries, including data on how much is redirected for use, recycling or waste; and the sorting process, decision-making and determining factors
- Challenges faced by importing countries for handling of used textiles
- Existing and upcoming regulations and standards/criteria on used textiles and their trade – both in importing and exporting countries -, and relevant governing frameworks (e.g. Basel Convention, WCO)
- Economic drivers, socio-economic and environmental impacts of used textiles trade



Knowledge exchange and dialogue platforms among exporting and importing countries to advance a sustainable trade of used textiles:

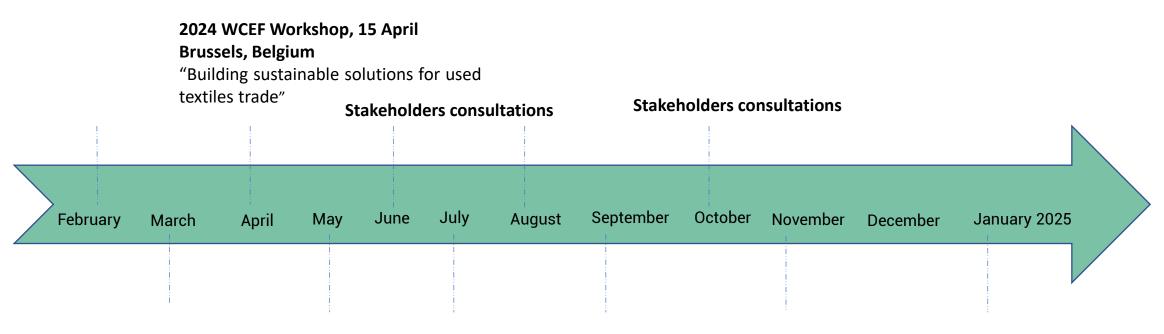
 Dissemination of project outcomes and awareness raising in relevant fora at the nexus of trade, environment, textiles and circular economy

Circularity and Used Textiles Trade Project









UNEA-6, 26 Feb - 1 March

"Connecting the Threads: A coordinated policy response to transform the textile value chain and offer solutions which preserve nature", co-led by Ministry of Trade of Türkiye' and Ministry of Infrastructure and Water Management of The Netherlands

UN Science-Policy-Business Forum: "Thread Lightly: Unravelling the Fabric of Sustainable Fashion"

2024 WTO Trade and Environment Week

2024 WTO Public Forum

UNFCCC COP28

Continued activities in 2025

