

STOP WASTE COLONIALISM!

Leveraging Extended Producer Responsibility to Catalyze a Justice-led Circular Textiles Economy



THE OR FOUNDATION

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Extended Producer Responsibility (EPR)

Extended Producer Responsibility (EPR) policies for textiles must be financially relevant, Globally Accountable, and transparent in order to support a Justice-led transition from a linear to a circular economy through overall waste reduction, environmental regeneration and through dignified economic opportunities via fiber-based recycling, upcycling and decomposition pathways.

A harmonized EPR policy is urgently necessary. Clothing production doubled from 2000 to 2014, surpassing 100 Billion garments for the first time in 2014. Without intervention the fashion industry is projected to account for 26% of global greenhouse gas emissions by 2050. Moreover, the fashion industry uses the global secondhand clothing trade as a de-facto waste management strategy, seeing three secondhand garments per person on the planet shipped across international borders and dumped into communities and ecosystems that lack the financial capacity to manage the waste. EPR, if designed and implemented according to the principles laid out within this position paper, is among the strongest regulatory methods to stop the destructive impact of the fashion industry.

We call on policy makers, industry leaders and Producer Responsibility Organizations alike to implement EPR programs for textiles based on three key principles:

- 1 Internalized Cost of Waste Management** - EPR fees must align with eco-modulated waste management costs throughout the global reverse supply chain and must financially incentivize alternatives to linear waste practices. We call for eco-modulated fees to start at US \$0.50 per newly produced garment as a floor rate for EPR programs.
- 2 Global Accountability** - EPR programs must align with the reality of how waste flows around the world, distributing funds to enable circular infrastructure in the Global South as well as in the Global North and to account for the loss and damage already incurred by fashion's excessive waste sent around the world to under-resourced and climate vulnerable communities.
- 3 Disclosures to Drive Circularity Targets** - In order to achieve eco-modulated EPR Fees, programs must require companies to disclose production volumes along every eco-modulation tranche. We call for this information to be publicly available on a per company basis and for reduction targets for new clothing of at least 40% over five years, balanced by the increase of reuse and remanufacture of existing materials.

Current State:

For many decades textile waste has been handled through three principal waste streams – municipal landfills, product downcycling into materials such as insulation and through the global secondhand clothing trade.

As the growth of EPR policies throughout Europe and North America aims to not only subsidize textile waste management but to fuel the transition towards circularity, ([European Commission](#)) shifting away from landfilling textiles in favor of reuse and higher value recycling and upcycling pathways, implementation strategies should be grounded in the fact that the global secondhand clothing trade currently circulates over 4.5 million metric tons of secondhand clothing annually as part of a global waste management strategy, representing an estimated 23.63 billion items every year, or **three items per person on the planet** ([United Nations](#)).

These items are collected primarily from across the EU, North America and parts of Asia and sent to countries primarily across the continents of Africa and Central and South America. It is in these receiving countries that waste management is carried out, commonly with scarce resources and often with both individuals and government agencies taking on debt⁽¹⁾ to carry the costs of managing other people’s unwanted clothing. With under-resourced capacity and over-burdened infrastructure, much of what enters the global secondhand clothing trade may end up as waste, dumped or burned within sensitive ecosystems, causing significant harm to human and environmental health. **EPR policies and implementation strategies that do not account for this reality perpetuate Waste Colonialism and do not support a circular economy.**

In addition to enabling Global Accountability by transferring funds across borders to support the frontline communities managing the Global North’s clothing waste, EPR policies and implementation strategies can serve as a lever to incentivize socio-ecologically grounded consumption and production. Fees, or, “eco-contributions” charged as part of EPR programs should internalize the true cost of waste management for the global fashion industry and in so doing create pricing structures that strongly steer both companies and their customers toward reuse and resource conservation.

This transition is urgently needed. All indications are that climate change mitigation targets are not on track and nearly all indications are that resource consumption is growing, counter to the necessary reductions inherent in the 1.5°C target or even the 2°C target ([Intergovernmental Panel on Climate Change](#)).

(1) For individuals, debt finances the cost of secondhand clothing bales and operational expenses, such as storage, transportation (including through headcarrying) rent and electricity. For governments, debt finances landfill construction and waste hauling. A list of example expenditures within the Ghanaian context is included in Appendix B.



In Ghana, where we are based, the impacts of the perfect storm of climate change are felt everyday with flooding, drought, extreme heat, crop failure and devastating environmental pollution. **The loss and damages are tangible and directly caused by overflowing amounts of textile waste.**

As an organization and as a community we want to see urgent action to reckon with the severity of the threats our team and our community are living through. Effective EPR for textiles is one such action that can be taken on a policy level to steer individual and cooperative behaviors. This document lays out how.



Textile waste has overrun Accra's coastline, embedded in the sand above and below the water. These tangled masses of clothing become breeding grounds for mosquitoes, increasing the risk of malaria, destroy the marine ecosystem making it difficult for turtles to lay their eggs, devastate livelihoods, catching on fishermen's nets and disrupt leisurely activities, brushing up against children as they swim and making football matches between community members impossible.

What is EPR and Where Can It Lead Us?

Extended Producer Responsibility (EPR) is an environmental policy and a form of product stewardship that extends a producer’s responsibility for a product to the post-consumer stage of a product’s life-cycle. The term “Extended Producer Responsibility” was first coined in the 1990s when the German packaging take-back law was passed. Today there are over 400 EPR programs globally, but France is the only country with an EPR program for Textiles.

EPR, across all sectors, is intended to stop producers from externalizing the cost of waste and bad design decisions onto municipalities. This has largely been driven by concerns in the Global North regarding the high cost of waste management and the scarce landfill space in their own countries. To date, EPR has not been concerned with the impact on communities like Kantamanto that are “downstream” from the Global North in terms of the global flow of waste.

In other words, EPR policies have largely avoided addressing Environmental Justice and Waste Colonialism, in any sector.

EPR is similar to the Polluter Pays Principle (PPP), but whereas the Polluter Pays Principle focuses primarily on pollution incurred throughout the production process, EPR is focused almost exclusively on the life-cycle management or the end-of-life of a product, *in which the product itself may be the pollutant*.

Given the toxic and linear state of the global fashion industry, nearly every garment made currently ends up in an environment that lacks the infrastructure to facilitate safe recycling or decomposition as part of the circular economy.

The way that the responsibility for waste management is shifted onto the producer can be physical and/or financial. Physical responsibility might look like a producer being required to tangibly take-back, sort and treat their products once consumers are done with them. Financial responsibility is where producers provide the financial resources required to safely and effectively manage the end-of-life of their products. They can provide these funds individually or collectively through a third party called a Producer Responsibility Organization (PRO).

Most EPR Programs are managed by PROs. Oftentimes there is more than one PRO accessible to a company, creating a competitive market, which has both advantages and disadvantages. Refashion, a non-profit, is the sole PRO responsible for administering the French EPR Policy.

The EPR fee, or “eco-contribution”, paid by producers is determined by the PRO but the PRO sets fees according to the budget and goals set by government directives. Increasingly, EPR fees are being used to incentivize producers to improve the overall environmental performance of their products. This goal is typically pursued by using a bonus / malus system of eco-modulation, a system that rewards (bonus) producers for doing things like increasing the recycled content in their products, utilizing lighter-weight materials, eliminating complex chemistries in favor of monomaterial products and designing for improved durability, repairability and recyclability.

EPR can act as a transitional policy until the time when regenerative technologies and less energy intensive lifestyles are adopted more broadly through the systemic incentivization to reuse and creatively remanufacture existing materials. EPR policies can also necessitate much needed collective accountability and action within the fashion industry, facilitating loss and damages financing that responds directly to the destruction caused by the fashion industry itself.

If EPR is viewed as a means to an end and not the end goal itself, EPR frameworks can provide a catalyst both financially and politically to shift economic structures and ecological priorities to reflect truly circular, inclusive and sound ecological principles. With inclusive and globally-minded methods for how funds are collected, accessed and distributed, EPR can empower traditionally disenfranchised sectors of the supply chain to develop the tools and agency to participate equitably in global markets.

In the best of cases, effective EPR policies:

- (1) Disincentivize new products with harmful chemicals
- (2) Move money to communities around the world that are most affected by waste pollution to help clean up and to catalyze indigenous and regenerative alternatives to polluting products and industries.
- (3) Internalize the cost of waste management for newly produced items so as to financially move both companies and customers to prioritize reuse and resale of clothing, thereby reducing overall waste and resource consumption in line with critical global climate demands.

Where Is Current EPR Not Accountable?

The current state of EPR policies and implementation practices for textiles is far from this best case scenario. The only textiled-based EPR policy globally, established in 2008 and in practice since 2009 is in France.

The French EPR program subsidizes the collection and export of clothing into the global secondhand supply chain, but does not currently move funds with the export of this clothing. Simply put, if the intent of EPR is to support waste management of textiles, this mission is not being achieved by the current program. Moreover, the current EPR fee at a maximum of €0.06 and an average of just over €0.01 per garment (one cent), is logarithmically short of internalizing the costs of waste management and thus does little to change patterns of overproduction and overconsumption. In fact, since the French EPR scheme was introduced, the overall volume of new clothing introduced into the French market has increased. It's clear that the French government also feels that their EPR program must expand substantially in order to yield meaningful results. The French Ministry of Ecological Transition, which sets the directive for Refashion, has dramatically increased Refashion's budget, estimating a spend of €1 Billion across 6 years to improve collection, sorting, reuse and recycling.

In sum, the current EPR program for textiles must not be the sole reference model for new harmonized programs that may soon be implemented across the EU, the UK and the USA.

Rather, a reformed French EPR scheme, in conjunction with the widespread adaptation of Textiles EPR schemes throughout the Global North, must reckon with the current industry shortcomings in terms of dumping waste on former colonial territories and the urgent need to reduce new production in favor of reuse.

Refashion, the Producer Responsibility Organization (PRO) that oversees the EPR program in France, reports that in 2021 the program collected 244,448 tonnes of textiles and €51.1 Million (Refashion). From that, 80% of tonnages collected are exported, primarily to countries throughout the Global South, including former French and European colonial territories and low to middle income countries with scarce resources for waste management. Currently, sorting facilities, recyclers and exporting companies in France and across Europe, many of whom operate socially beneficial programs to the highest standard, receive money from the French EPR program that is insufficient to support true circularity. On top of this, no financial support is offered to the countries and communities across the Global South that actually manage the clothing that is collected through the EPR program.

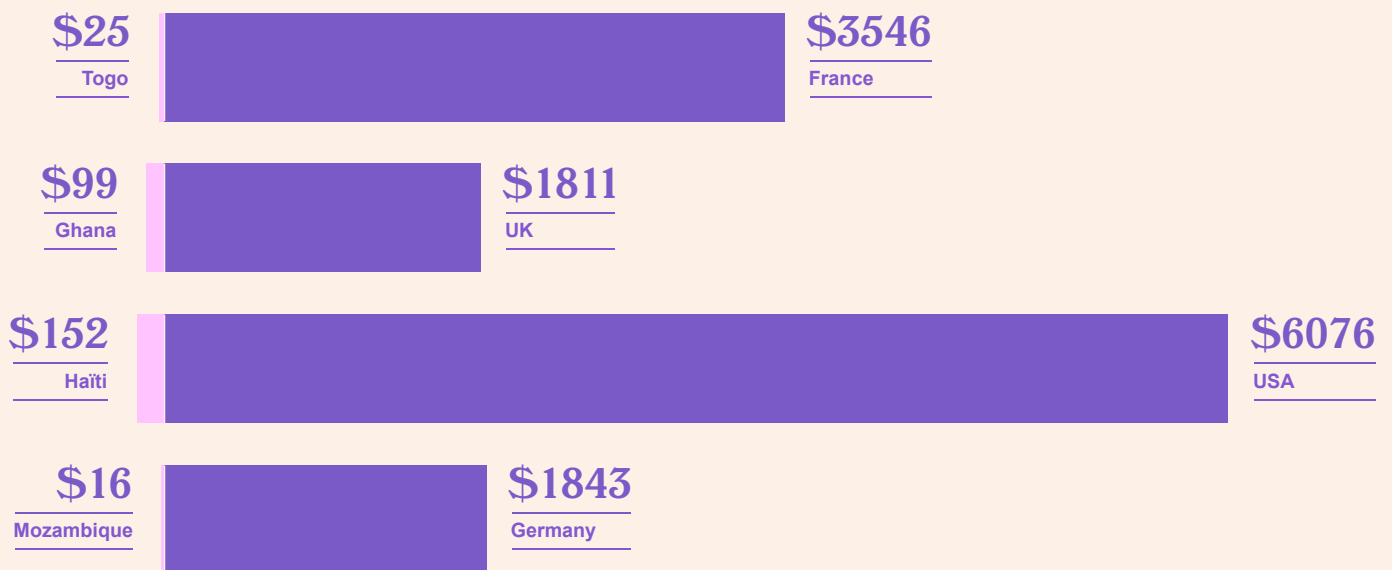
To contextualize the injustice of moving the waste management of clothes from areas of financial wealth to financially under-resourced areas of the world, we examined United Nations commercial trade data to track the flow of secondhand garments around the world.



We compared 1) the net flow of secondhand garments into or out of a country with 2) the GDP per capita and the population of that country. Utilizing our estimate of 5.25 garments per kilogram for “tropical mix”, the term employed by the secondhand industry for clothing destined for the Global South, we then developed a new *GDP per capita per garment per capita* data point called **Circular Finance Factor (CFF)** to demonstrate clearly the urgent need for global accountability within EPR programs.

For example, with every garment shipped abroad through the EPR program, France has a CFF of \$3,546, meaning that on average an individual person in France has \$3,546 dollars for every garment the country ships off for waste management abroad. These are resources that could be used to manage the waste in France. Meanwhile, Haiti, the number one recipient country of clothing exported by France has a CFF of \$152, and Togo, the number two recipient, has a CFF of only \$25.42 for every garment sent to the country, representing 0.6% of France’s Circular Finance Factor.

Circular Finance Factor (CFF) A Tool to Measure Waste Colonialism



CFF measures GDP Per Capita / Per Imported - Exported Item Per Capita⁽²⁾

RECEIVER COUNTRY SENDER COUNTRY

(2) Each country’s Circular Finance Factor is equivalent to the GDP per capita per garment per capita. This is tracked against net trade flow, in the case of France, UK, USA and Germany as net-exporting countries, deducting what is imported from the total export figure. GDP per capita as a metric does not necessarily equate to individual wealth, rather serves as an indicator of an overall financial position that we are using to illustrate the divergent economic conditions between sending and receiving countries across the global secondhand clothing trade. You can find the complete table based on 2021 trade and economic data sourced from the UN, ReFashion and the World Bank in the Appendix B-C.

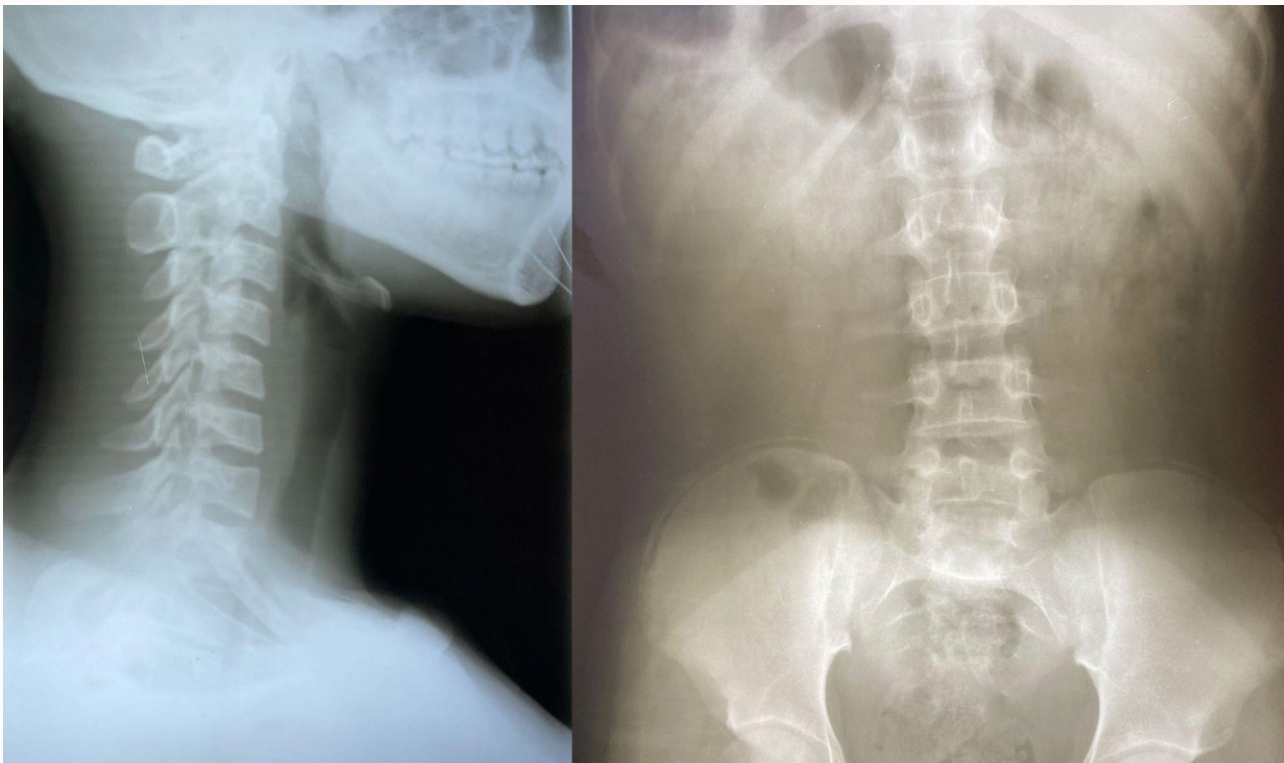
Why Is Globally Accountable EPR Necessary?



The Or Foundation Beach Monitoring Team has counted and measured thousands of textile tentacles across a seven kilometer strip of Accra, Ghana's coastline. The tangled masses, some many meters long, contain secondhand clothing from fashion's waste stream that saturates the secondhand market and overloads Ghana's under-resourced linear waste management capacity. Top brands identified on the beach include H&M, Adidas, Nike, Next, Marks & Spencer, Gildan, Fruit of the Loom, George and Primark. Our research is ongoing to determine the ecological impact of microfiber and leachate from the clothing waste.

In Ghana, where our organization operates, over 150,000,000kg of secondhand clothes are imported into the country on an annual basis ([United Nations, 2021](#)). By our estimate this is equivalent to around 15 million items every week⁽³⁾. Regardless of how the secondhand clothing is collected across sender countries throughout the Global North, these items do not arrive in Ghana as donations, rather they are purchased in bulk bales of 55kg or more by retailers seeking to make a living by reselling secondhand clothing ([The Or Foundation](#)). Yet the many thousands of retailers working within Ghana's secondhand clothing trade are increasingly operating within a cycle of subsistence debt. **After the purchase of a bale, paying for transportation on the heads of young women who suffer crippling impacts from the weight of the clothing they carry, stall rental, electricity and sanitation, market retailers are typically in debt \$1.58 per garment before they even open a bale to see what garments they can try to sell.**

In the best of cases the retailers make just enough money to come back the next day to try again. But their debt means that no money is left over to invest in merchandising their items, nor in repairing or upcycling items that arrive in poor condition. The consequence is that more and more garments leave the market as waste when customers refuse to buy them even at a loss for the retailers ([The Or Foundation](#)). Our research, conducted over a period of six years and informed by immersive observation, hundreds of surveys, thousands of interviews, waste analysis and corresponding data from the municipality, has found that 40% of the average bale of clothing opened in Accra's Kantamanto Secondhand Clothing Market, likely the largest secondhand clothing market in the world, leaves the market as waste, not to mention the items that are thrown away within a residential setting as the massive quantities of secondhand clothing – nearly 26 garments per capita per year in Ghana – spark the consumption habits of fast fashion. **This has created an environmental disaster in Ghana, a disaster that has unjustly become the burden of communities that did not cause the problem.**



X-rays from our chiropractic study show severe and irreversible spinal degeneration including bone fusion, sharp tips of vertebrae, tracheal pressure, reverse curves and severe spinal misalignment caused by head carrying secondhand clothing bales exported by countries throughout the Global North. We have documented women and girls as young as nine years old headcarrying 55kg bales of clothes in Accra's Kantamanto market. Growth plates are often visible in x-rays showing spinal damage, highlighting the young age.

(3) 15 million is based on observation of containers, bales and trade data, noting that within the Ghanaian secondhand market there are more t-shirt and childrens' wear bales and lighter weight items suited for the warm climate, leading to a count of 5.25 garments per kilogram. This is a higher per kilogram item count than Refashion, the French PRO, uses in its calculation of roughly 4 items per kilogram.

The Accra Metropolitan Assembly is also saddled with a hefty bill of around US \$500,000 per year to try to collect and dispose of the unwanted items from Kantamanto Market, but the Accra Metropolitan Assembly only has the capacity to manage around 70% of what leaves the market as waste, on a good day. This waste may be formally managed but it ends up in dumpsites that lack environmental protections such as a liner and leachate control. What is not handled by the AMA is left to be burned on the market outskirts, polluting the air. Or it is dumped in fragile ecosystems where it pollutes waterways and eventually makes its way out to sea. Our team of beach monitors has counted 2344 textile “tentacles” – tangled masses of secondhand clothes – along a 7km strip of Accra’s coastline over the course of one year.

That’s an average of one tangled mass of clothing every three meters, and some of these tentacles are a dozen meters long, containing thousands of items.

There are sections of the beach where sand is no longer visible, covered in mounds of textiles and plastics that reach over 5ft in height.

And this is only what is on the surface. As our research continues with water samples, air samples and drone mapping across the country we will gain a better understanding of the extent of the damage already caused by the global dumping of waste on a country with insufficient waste management resources, a crisis that is growing after Ghana’s only sanitary landfill exploded in August 2019 due to secondhand clothing waste exceeding the landfill’s engineered capacity. **According to municipal officials in Accra, the construction of a new landfill will likely cost Ghana US \$250,000,000, while cleaning up the environmental damage already caused by secondhand clothing waste will cost even more, potentially diverting financial resources from other necessities such as education and healthcare.**



Clothing waste was deemed to be one of the main contributors to the 2019 Kpone Landfill fire. With fashion waste from around the world making up roughly 20% of the landfill’s planned capacity increasing the bulk density of the landfill and affecting compaction rates, Kpone Landfill’s engineered systems were overwhelmed and methane was not able to escape causing a fire that led to the closure of the landfill, leaving one of the world’s fastest growing metropolises without an engineered landfill.



#STOP
WASTE
C%NIALISM



The Or Foundation team takes water samples alongside the Korle Lagoon near the main dumpsite in Old Fadama, Accra, where many of the items overflowing municipal capacity end up being dumped as waste, entering the coastal ecosystem as whole garments and microfibers, spawning untold impact on ecological and human health.



In addition to insufficient linear waste management capacity in the form of landfills, Market Infrastructure in what is likely the world's largest secondhand clothing market contributes to the waste crisis. Due to lack of investment, wood built Kantamanto Market where open flame kitchens and overloaded electrical connections are common, frequently catches fire, plunging members of the market community further into debt and leaving an environmental mess to clean up.



Accra is not the only place with this urban planning challenge. There are 68 receiving countries with a CFF below US \$800, while 40 of the 43 total net secondhand clothing exporting countries have CFF's over US \$800 (United Nations, World Bank, The Or Foundation).

Just as sales tax and VAT have funded the infrastructure and capacities for public health, safe commerce, education and innovation for centuries, today, globally accountable EPR is the funding mechanism to address these urban planning challenges and to support a Justice-led transition toward the circular economy where there is no bottom or top of the supply chain.

The opportunity is for secondhand clothing retailers to earn enough money to invest in the upfitting of their marketplace and the repair of items that have lost their luster in a way that will break with fast fashion cycles and allow for creative expression to thrive through reuse and recycling.

The opportunity is for urban infrastructure to ensure that dangerous headcarrying is no longer essential to support global waste management practices, thereby removing thousands of young women from literally backbreaking work equivalent to modern day slavery and offering them new economic pathways.

The opportunity is for municipal services and local businesses to leapfrog linear systems with investments in recycling and domestic collection and waste-as-resource segregation and preparation for reuse.

The opportunity is for local communities to repair the environmental damage already done by global fashion waste while retaining ownership and access to traditional lands, waters and ways of life.

How Can EPR Be Structured To Transition Toward a Justice-Led Circular Economy?

We envision a three pronged approach to developing a harmonized EPR program. First, to adopt fees that are aligned with the real costs of waste management. Second, to distribute funds in support of Justice throughout global waste management systems and the most critical identified need across the value chain. Third, to leverage necessary program disclosures both to measure progress and to catalyze a shift in business as usual through clear goals for a reduction in the production volume of new clothes that is consistent with the urgent call to action from climate scientists and frontline communities to support responsible consumption and production as a sustainable development goal.

1 Internalized Cost of Waste Management – Fees Aligned with Real Costs and the Sales Tax Precedent

EPR should internalize the cost of waste management of clothing. For newly produced items EPR fees should begin at US \$0.50 and go up to at least US \$2.50 based on an eco-modulated structure, where items with the smallest negative impact and lowest costs for reuse, recycling and decomposition carry the lowest EPR bill, while items with the greatest negative impact and highest costs for reuse, recycling and decomposition carry greater fees. **We consider these amounts to be the absolute floor of any EPR program that is tethered to reality and we encourage programs to implement fee structures beyond these floors.**

For items resold as secondhand there should be no EPR fee when those items are introduced onto the marketplace.

We believe that more research is needed, especially in regards to chemicals, in order to develop an eco-modulation strategy that reflects the complexity of fashion's supply chain. At the same time, we believe that there is a clear need to design out materials that have no viable recycling pathway. **Circularity cannot make nutrients out of poison** and EPR policies must recognize the technology gap when it comes to recycling and decomposing blended-fiber garments and work to phase these materials out of the global fashion system.

The current EPR program in France varies EPR base-fees on the weight and size of an item; for instance, denim pants for adults carry a higher fee than a t-shirt for a baby. **This commoditized approach does not work**, as the size and weight of a garment does not actually determine whether or not the item can be reused, recycled or safely decomposed, particularly when garments may have multiple components and require disassembly before turning back into the input materials for future garments. Instead, EPR fees should adjust according to the accessible reuse, recycling and decomposition pathways for each item produced based on fiber type, finishings and construction.

If there is no safe reuse, recycling or decomposition pathway for a specific fiber type, chemical coating, or product category other than landfill or incineration, those items of concern should carry higher EPR fees in order to financially shift companies and their customers away from such products and in order to pay for the socio-ecological cost of their waste management **given that no value will be reclaimed through recycling or reuse pathways and that communities and ecosystems may suffer harm as a result of the items entering the environment.**

Given the recycling technology available currently, cotton garments and monomaterial garments have far more pathways available to them after first-use, compared to mixed-fiber garments. Kantamanto retailers prefer cotton garments over synthetic garments and our ongoing research into microfiber pollution across water, air and sediment samples here in Accra indicates that synthetic fibers persist in the environment much longer than cotton microfibers, likely causing increased harm and necessitating more resources to detoxify, clean up and regenerate disposal sites.

This eco-modulated structure, at the minimum rates of US \$0.50 to US \$2.50 (or \$0.00 for resale), will begin to shift consumer demand, sourcing decisions and business strategy, while at the same time remaining grounded in comparable precedents that can ensure implementation.

The eco-modulated EPR fee for newly produced garments of US \$0.50 to US \$2.50 that we call on legislators to set as the harmonized floor for EPR programs globally is based on our analysis of the per garment cost of waste management borne by secondhand markets. Through extensive interviews and surveys with thousands of retailers in Kantamanto Market in Accra across a period of six years, we have recorded that on average retailers take on US \$1.58 of debt per garment in order to purchase, transport, store and market items in bulk bales (see Appendix A). In addition municipal governments carry costs to move unmarketable items to landfill. Prior to arriving in global secondhand markets, large supply chains of collectors and sorters select and prepare secondhand items for the most appropriate after-life at significant expense. According to a leading not-for-profit collector and sorter operating in France, **the current per tonne rate paid by the French EPR scheme of €80.00/ton covers only 1/6th of the total costs involved in their operations. With an eco-modulated fee of US \$0.50 to US \$2.50, averaging US \$1.50 (€1.45 as of publication) per item, the EPR program approaches the costs borne by the circular supply chain.**

Raising the EPR fee is essential to build the infrastructure and to support the communities that are critical to circularity.

All brands and companies selling new garments must be subject to the EPR fee. No exemptions can be made for brands or companies with take back programs or private, internal EPR schemes⁽⁴⁾. Take back programs, such as H&M's in-store take back bins, often feed into the global waste crisis through the secondhand clothing trade at the same time as they incentivize the purchase of new garments through credits and discounts for customers, credits that far exceed current EPR fees paid to Refashion. Through stringent disclosure policies as discussed below that can guide eco-modulation targets for EPR fees, companies should be disincentivized from using take back programs as an enticement for their consumers to purchase new clothing at a pace that may outstrip responsible waste management efforts for the garments currently in circulation. With no exceptions to paying EPR fees for new garments other than through the reuse of existing post-consumer materials, companies will find financial incentive to recirculate garments collected within take back schemes through the growth of resale programs intended to offset new production volumes.

The fee structure of US \$0.50 to US \$2.50 per new item produced or marketed for sale runs inline with common sales tax and VAT rates of between 5% and 25%. For instance, the sale of a new \$10.00 t-shirt in Los Angeles, California carries \$1.00 of sales tax at a 10% combined state and local sales tax rate. In Paris, France that same t-shirt carries a €2.00 tax with 20% VAT.

While these existing taxes at the point of sale pay for the infrastructure necessary to facilitate the sale on the local level, our research suggests there is a high likelihood that a \$10 t-shirt will quickly be given up and shipped around the world as secondhand, only to become waste, carrying with it roughly \$1.58 of unfunded waste management costs. Currently the highest possible EPR fee for textiles is €0.063⁽⁵⁾. This is effectively negligible for many companies paying into the scheme and doesn't approach the actual cost of waste management or environmental cleanup caused by decades of overproduction. **EPR policies must close the gap to support the actual cost of waste management and to strongly encourage more responsible business models through economic pressure.**

Further to the goal of incentivising reuse and resale as critical for climate mitigation, EPR fees may modulate alongside VAT and sales tax modulation. For example, reused items, particularly those sold by community groups with direct social benefit, should carry no EPR fee and may also benefit from a VAT reduction to aggressively incentivize reuse, resale, and the social good that community organizations, not-for-profits and benefit-corporations perform.

(4) According to the UK-based industry advocacy organization WRAP, take back programs, such as that of H&M, are known to offer coupons of \$5 or more and discounts of 15% or more toward the purchase of new garments after customers place an item in a take back bin. This is drastically out of proportion with current EPR fees and demonstrates that the current value of take back programs for brands is to incentivize further consumption and not to reduce socio-environmental impact.

(5) French EPR policy pays a higher fee for larger or heavier items; e.g. €0.063 for denim jeans although the average is just over €0.01. We propose that eco-modulation be based on material type and ability to recycle or remanufacture. i.e. if it is harder to recycle or remanufacture there is a larger subsidy for recyclers.

2 Global Accountability – Fund Distribution Toward Justice and Identified Need

The current global reverse supply chain for post consumer clothing waste includes three main touch points, or tiers, where clothes and textiles are handled and transformed ([The Or Foundation](#)).

First, organizations both for-profit and not-for-profit, **collectors and aggregators** work together to pool clothing from individuals and businesses in order to provide the inputs by way of secondhand clothing that support the remaining supply chain. In some cases first tier organizations may have close partnerships with thrift stores or charity shops where clothing is donated and the best items are offered for resale.

Second, **sorting operations** inspect and categorize every garment into different grades of material, different product types and different end uses. Sorting generally determines where a specific garment or garment type will end up, whether in a resale market around the world or in a downcycling or recycling facility. Traditionally sorting has been a highly labor intensive process, though new machinery and technology promises to automate some key steps, such as classifying fiber type, but sorting by grade of material for reuse or for down-cycling or recycling, will likely always remain a value-add skill **requiring a human to touch every garment**.

Third, resale operations and recycling, downcycling or upcycling operations take on the material that is collected and sorted by the previous tiers of the supply chain. While there are often blurred lines across the supply chain, with some companies and individuals performing functions at every level, from collecting through resale and recycling, the success of third tier operations determines whether or not clothes truly stay out of landfill, incineration plants and sensitive ecosystems. **The third tier in the reverse supply chain is the first tier in the circular fashion system.**

With eco-modulated EPR fees collected on a per garment basis we call for a three tier approach to ongoing per garment fund disbursement in order to match the three tiers of the reverse supply chain. Funds should follow clothing from the point of sale through collection and sorting to the point of resale as an individual garment or to the point of recycling or remanufacturing into a new product.

EPR programs can rely on commercial trade data collected by the United Nations from the previous reporting year along with the mandatory and audited self-reporting information of registered program participants to follow aggregated clothing items, en masse by weight, throughout the world. For instance, following HS 6309, the harmonized tariff code for secondhand clothing, from the origin country through sorting country and eventually to the recipient country shows that clothes from France are sorted in Belgium and eventually end up in Benin. Until a time that digital IDs may be implemented in a way that would allow individual garments to be tracked around the world, money can be distributed from the pool of total funds collected based on the weight of materials traveling through and ending up at each step of the reverse supply chain.

No entity along the value chain should receive more funding from the distribution of EPR funds than the Tier 3 end of life managers, i.e. reuse market or recyclers.

Given that material has been flowing from the Global North to the Global South for decades, often wreaking environmental damage and physical harm to communities involved, EPR policies must support reparatory funds in addition to ongoing waste management costs.

Whereas the majority of Tier 3 reverse supply chain operations occur within the Global South in markets such as Accra’s Kantamanto Market, no money from the existing French EPR program currently moves to those markets. This must change. Tier 3 operations should receive the largest share of funds from EPR programs. Meanwhile the Tier 1 of the reverse supply chain – collection and aggregation – along with the Tier 2 – sorting – can be supported to increase capacity. Notably, the entire supply chain underlying recycling and reuse initiatives also benefits from incentivized market demand based on the eco-modulation of EPR tariffs for the resulting products of recycling or reuse initiatives.

While there may be overlap in functions performed across these tiers, organizations should only be able to claim a benefit under one tier of the fund. In the event an organization performs multiple functions yet receives support for only one tier, or in the event that not every tier of the value chain can be identified, funding not allocated to Tier 1 and/or Tier 2 would be available for distribution between Tier 3 organizations and environmental remediation efforts. **Funding from Tier 3 and environmental remediation efforts should not, however, be made available to Tier 1 and Tier 2 entities.**

By way of example a \$1.50 EPR Fee per garment could be distributed as follows :

- + *At most* \$0.42 or a maximum of 28% for **Tier 1** – collectors and aggregators

- + *At most* \$0.42 or a maximum of 28% for **Tier 2** – sorters

- + **At least** \$0.43 or a minimum of 29% for **Tier 3** – recyclers or reuse markets (through surrogate municipalities, NGOs or traders associations as relevant)

- + **At least** \$0.15 or a minimum of 10% for an environmental fund to support the remediation efforts within communities impacted by clothing waste

- + \$0.075 or 5% to cover the costs of the EPR program administration.

Fund recipients should apply to receive funds and be subject to audits and third party inspection.

Globally we believe that at least US \$5 billion annually should be transferred to receiving countries to make up the gap between waste management costs and the Circular Finance Factor (the local per capita financial resources) available to cover those costs. This is in addition to at least \$1.5 billion annually that should be transferred every year for the next ten years for environmental remediation efforts in the areas most impacted by clothing waste from the global fashion industry.

Recognizing both the urgency for support and the complex global web of entities involved, we call for legislative mechanisms to hold implementing PROs accountable to a fund distribution rate of at least 90% of funds received within 18 months of the receipt of funds.

3 Disclosures to Drive Reuse Targets – *Volume Disclosure and Public Information to Measure Progress and Collective Accountability*

Supporting the true cost of waste management without working to reduce waste will never be a circular strategy. EPR policies and implementation must include production and sales volume disclosure in order to organize and operate the fund collection and also to set benchmarks by which to measure the success of the policy. If EPR aims to steer companies and their customers toward new business strategies centered around reuse and an overall reduction in resource consumption, then EPR program administrators and the general citizenry alike must be able to **measure if the production and sale of new clothing is offset by reuse or if the overall volume of clothing in circulation only continues to grow.**

Volume disclosure is a key piece of what makes EPR a transition policy. Volume disclosure allows for an EPR program to work toward its own phaseout through planned stages and clear targets in partnership with contributors to the fund and recipients. As part of the volume disclosure process, all payments into and out of the fund by or to specific companies, organizations, or municipalities must be public information published as part of a yearly EPR fund report. Yet beyond critical financial accountability, volume disclosure allows eco-modulation targets to shift as necessary to work toward the purpose of a Just transition. Disclosures must include details regarding production quantities at each rate of eco-modulation. Not only does this information allow for adequate collection of EPR fees, it also supports modulating specific EPR fees for targeted materials of concern.

Toward the same end as that put forward by allied organization [En Mode Climat](#), if, within five years of program implementation, new production volumes have not decreased on a per company basis by at least 40%, measured against the first year benchmark, the revenue of which could be offset by reuse and sales of upcycled garments made from post-consumer waste collected through EPR programs, then the **ceiling EPR fee paid for certain eco-modulated bands of products would be doubled across the entire EPR program.**

This would incentivize companies to work together to phaseout harmful materials and to shift their business models away from overproduction. After the initial five year review, reduction targets should be reviewed against the same standard on an annual basis every year thereafter.

To ensure the accountability of such disclosure programs and to ensure EPR program administration does not succumb to the pitfalls of self-policing regimes, we call for the boards of directors of independent Producer Responsibility Organizations to garner at least half of their membership from experts and organizations with no conflict of interest with companies paying into the EPR program, a marked difference from the PRO Refashion in the current French EPR scheme, who self-reports as “being owned” by the clothing brands according to conversations our Kantamanto Delegation had with executives of Refashion in Paris on November 17th, 2022.

The rate and the costs of overproduction and overconsumption must be clear to companies, their customers and independent regulatory groups. **Volume disclosure is key to ending the race to the bottom and to creating a circular flow of materials and financial resources in volumes that can be sustained socio-ecologically.**

Costs cannot be internalized if they are not known.

Behaviors cannot be changed if people are not informed.

EPR is a lever by which to incentivize shifts, to bring information to light, to support regeneration and to catalyze a Justice-led transition from a Linear Economy to a Circular Economy.

As the first small steps to enacting a pragmatically necessary EPR framework we call on:

- + **The French Ministry of Ecological Transition and Refashion to make reparative payments to the Haiti, Lebanon and all the African Countries that France exported clothing to in 2021 in the amount equivalent to no less than €80 per tonne, in line with the fee paid to clothing sorters in France. This is roughly €5.7 Million. By way of comparison, in 2021 Refashion spent €23.5 Million on sorting in France and Europe, €2.5 Million on communications and €622,000 on an Innovation Challenge. **As a model for other EU member states and countries establishing EPR policies for textiles, we are further calling for the French Ministry of Ecological Transition and the French PRO Refashion to immediately adopt the principles laid out in this position paper, including the creation of an Environmental Fund to support the remediation of current disposal sites such as the Korle Lagoon in Accra.****

 - + **Fashion industry leaders and fellow NGOs to endorse this policy position and stand in solidarity with Kantamanto against continued Waste Colonialism.**

 - + **Elected officials and ministerial representatives to put forward this position as the standard for harmonized EPR programs around the world - thereby prioritizing the voices of the communities that have been disproportionately impacted by fashion's waste crisis and moving purposefully toward Climate Justice.**
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Appendix A - Approximate Calculable Current Costs of Waste Management in Accra

Government Budget Line for Kantamanto Waste Management	Approximate Weekly Expenditure in USD
Operations Personnel	\$650.00
Fuel + Vehicle Maintenance	\$6,200.00
Tipping Fees	\$3,000.00
Administrative Personnel and Costs	\$200.00
Weekly Total	\$10,050.00
Yearly Total	\$522,600.00

Individual Market Retailer Budget Line Item	Approximate Weekly Expenditure in USD
Secondhand Clothing Bale	\$333.33
Stall Rent	\$5.00
Storage	\$18.00
Transport	\$16.67
Kayayei	\$16.67
Electricity	\$0.75
Security Fee	\$0.67
Waste Fee - In Part To Bring Material To AMA Trucks	\$2.50
Cell Phone Credit for Reaching Customers	\$6.67
Food While in The Market	\$33.33
Housing	\$16.67
Market Tax	\$0.69
Total Weekly Expenditures to Sell Secondhand Clothing in Accra	\$450.94
Estimated Expenditure Per Item in a 285 Item Bale	\$1.58



Appendix B - Top Receiving Countries of France

Top Recipient Countries of French Clothing Exports - ReFashion	Net Imported HS 6309 in Metric Tons - UN Comtrade	Estimated Net Imported Items at 5.25/kg	Population - World Bank	GDP Per Capita - World Bank	Approx. Items Per Capita	Circular Finance Factor
Haiti	26,233	137,725,030	11,541,680	\$1,815	12	\$152
Togo	63,042	330,972,464	8,478,240	\$992	39	\$25
Madagascar	39,704	208,444,262	28,427,330	\$515	7	\$70
Senegal	31,308	164,369,510	17,196,310	\$1,606	10	\$168
Burkina Faso	27,628	145,046,501	21,497,100	\$918	7	\$136
Mozambique	191,570	1,005,740,311	32,163,040	\$500	31	\$16
Mauritania	7,162	37,600,143	4,775,110	\$1,723	8	\$219
Benin	81,813	429,516,203	12,451,030	\$1,428	34	\$41
Rwanda	18,206	95,583,663	13,276,520	\$834	7	\$116
Cameroon	71,568	375,729,895	27,224,260	\$1,662	14	\$120
Mali	21,191	111,252,734	20,855,720	\$918	5	\$172
Ghana	149,181	783,200,822	31,732,130	\$2,445	25	\$99
Somalia	8,871	46,570,545	16,359,500	\$446	3	\$157
Cnt. African Rep.	4,109	21,573,038	4,919,990	\$511	4	\$117
Niger	18,532	97,294,297	25,130,810	\$595	4	\$154
South Africa	7,437	39,044,397	60,042,000	\$6,994	1	\$10,756
Lebanon	18,299	96,070,685	6,769,150	\$2,670	14	\$188
Côte d'Ivoire	34,785	182,620,814	27,053,630	\$2,579	7	\$382
Guinea	49,346	259,067,540	13,497,240	\$1,174	19	\$61
Gabon	8,031	42,165,149	2,278,830	\$8,017	19	\$433
Mauritius	203	1,066,674	1,266,060	\$8,812	1	\$10,459
Congo	19,523	102,493,823	5,657,020	\$2,214	18	\$122
D.R. Congo	99,422	521,968,099	92,377,990	\$584	6	\$103
Burundi	13,995	73,471,293	1,225,430	\$2,368	60	\$39
Chad	4,640	24,358,430	16,914,990	\$696	1	\$484
Comoros	552	2,900,373	888,456	\$1,495	3	\$458
Djibouti	10,648	55,902,089	1,002,200	\$3,364	56	\$60



Appendix C - EU + UK, USA, Canada and South Korea

EU + 4 Countries	Net* Trade Flow in Metric Tons (- for Import +for Export)	Approx. Items (tropical mix calculation at 5.25/kg)	Population	GDP Per Capita	Approx. Items Per Capita	Circular Finance Factor
United States of America	720,846	3,784,441,070	331,893,740	\$69,288	11	\$6,076
Germany	436,426	2,291,235,356	83,129,290	\$50,802	28	\$1,843
United Kingdom	335,152	1,759,545,701	67,326,570	\$47,334	26	\$1,811
France	157,790	828,396,429	67,499,340	\$43,519	12	\$3,546
Italy	140,948	739,977,735	59,066,220	\$35,551	13	\$2,838
Belgium	128,832	676,369,964	11,587,880	\$51,768	58	\$887
Poland	111,413	584,916,796	37,781,020	\$17,841	15	\$1,152
Spain	80,195	421,023,288	47,326,690	\$30,116	9	\$3,385
South Korea (Republic of Korea)	61,932	325,142,501	51,744,876	\$34,758	6	\$5,532
Austria	32,704	171,693,953	8,956,280	\$53,268	19	\$2,779
Canada	23,376	122,724,294	38,246,110	\$52,051	3	\$16,221
Sweden	21,024	110,378,189	10,415,810	\$60,239	11	\$5,684
Portugal	20,881	109,623,617	10,299,420	\$24,262	11	\$2,279
Denmark	16,268	85,405,955	5,856,730	\$67,803	15	\$4,650
Netherlands	12,047	63,246,425	17,533,400	\$58,061	4	\$16,096
Greece	10,915	57,303,167	10,664,568	\$20,277	5	\$3,774
Ireland	9,718	51,019,983	5,028,230	\$99,152	10	\$9,772
Finland	4,987	26,180,191	5,541,700	\$53,983	5	\$11,427
Slovenia	2,259	11,861,540	2,107,010	\$29,201	6	\$5,187
Croatia	608	3,191,323	3,899,000	\$17,399	1	\$21,257
Luxembourg	519	2,723,564	639,070	\$135,683	4	\$31,837
Estonia	398	2,089,259	1,329,250	\$27,281	2	\$17,357
Cyprus	-195	-1,021,603	1,215,590	\$22,803	-1	-\$27,133
Malta	-1,092	-5,733,525	516,870	\$33,257	-11	-\$2,998
Latvia	-4,009	-21,048,389	1,883,160	\$20,642	-11	-\$1,847



EU + 4 Countries	Net* Trade Flow in Metric Tons (- for Import +for Export)	Approx. Items (tropical mix calculation at 5.25/kg)	Population	GDP Per Capita	Approx. Items Per Capita	Circular Finance Factor
Lithuania	-6,820	-35,805,614	2,795,320	\$23,433	-13	-\$1,829
Czechia	-7,872	-41,329,880	10,703,450	\$26,378	-4	-\$6,831
Hungary	-12,360	-64,890,194	9,709,890	\$18,773	-7	-\$2,809
Slovakia	-12,394	-65,070,280	5,447,250	\$21,088	-12	-\$1,765
Bulgaria	-14,178	-74,436,516	6,899,130	\$11,635	-11	-\$1,078
Romania	-46,958	-246,530,393	19,115,150	\$14,862	-13	-\$1,152

* Net trade flow shows balance between imports and exports. Some countries such as the Netherlands, export vastly more than net trade flow represents because they consolidate materials from neighboring countries. The balanced 'net' figure is used to represent each individual country's contribution to global trade flow figures and not the material that may pass through collection and sorting facilities sourced from other countries.



Endorsements

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** These 35 professional have recirculated an estimated 29,060,824 garments over their careers. To learn more about their work and the trade flow of Kantamanto's secondhand garments, or to see a growing list of signatories, check out our website: stopwastecolonialism.org