

Fashion Redress

Exploring policy options for
EPR fee transfer mechanisms
between used clothing
exporting and importing
countries

Final Report [9 June 2026]



Report For

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1.0 Introduction

The EU is at a turning point in how it manages textile waste. From 2028, all Member States will be required to establish Extended Producer Responsibility (EPR) schemes for textiles under the revised Waste Framework Directive (WFD), making producers financially responsible for collection, sorting, reuse, recycling and end-of-life treatment.

Yet the reach of these schemes has limitations that current policy does not fully address.

Every year, around 1.4 million tonnes of used textiles collected in the EU are exported for reuse, primarily to markets in Africa and Asia. These exports form a significant part of the global second-hand economy, supporting livelihoods across sorting, repair, resale and recycling markets in many countries. Once those textiles cross EU borders, however, they exit the system that producers have paid into. When they eventually reach end-of-life, often in countries with under-resourced waste infrastructure, the costs of disposal, clean-up and management fall on municipalities, informal workers and communities in importing countries.

The result is a structural mismatch: EU EPR is being strengthened domestically, while a meaningful share of the end-of-life burden associated with EU-origin textiles continues to arise outside EU-funded systems. This sits in tension with the polluter-pays principle that underpins EPR. This report explores how that gap might be addressed. It sets out practical options for extending textile EPR fee coverage to account for EU-origin textiles exported for reuse, examining who could contribute, how fees could be calculated and transferred, how funds could reach relevant actors in importing countries, and what governance and data systems would be required.

The aim is not to advocate for a single solution, but to provide policymakers, industry and civil society with a structured knowledge base to assess the feasibility and design of a potential Global EPR mechanism - one informed by the realities faced by those currently managing these textiles at end-of-life. As national EPR schemes take shape across the EU, the design choices made now will shape whether producer responsibility extends to reflect the full lifecycle of textiles, wherever that lifecycle ends.

The remainder of this report is structured as follows:

- **Section 2.0: Background and Problem Definition** sets out the scale and nature of EU used textile exports, the realities of downstream management in importing countries, and the resulting mismatch between material flows and current EPR cost coverage.
- **Section 3.0: Definitions of Global EPR** introduces the emerging concept of extending producer responsibility beyond EU borders, outlining different interpretations and scopes of “global EPR” and their implications for policy design
- **Section 4.0: Current EPR Framework and Gaps** examines how the revised WFD and existing national schemes allocate responsibility, identifying where legal and operational gaps arise when textiles are exported for reuse
- **Section 5.0: The Case for Global EPR and Policy Design Options** presents a structured analysis of potential approaches to addressing these gaps. It explores how EPR fee transfer mechanisms could function in practice, including options for fee collection and transfer, determining the magnitude of contributions, allocating funding across importing countries, and establishing governance, data and assurance systems
- **Section 6.0: Knowledge Gaps and Further Research** highlights areas where evidence remains limited and where further analysis will be required to support policy development
- **Section 7.0: Conclusions** summarises the key findings and reflections

2.0 Background and Problem Definition

The European Union (EU) is a major generator and exporter of used textiles, with export volumes rising significantly over the past two decades. Between 2005 and 2023, the export of used textiles from EU countries to third countries has nearly doubled, from 760,000 tonnes to 1.37 million tonnes (equivalent to roughly 3.1kg per capita in 2023).¹ Due to a significant increase in textiles placed on the market in EU countries in recent years coupled with low rates of domestic reuse, large volumes of used textiles are collected and traded internationally and sent primarily to Africa and Asia. In 2023, 45% of EU used textile exports went to African countries and 43% went to Asian countries.²

However, despite detailed trade statistics, it remains extremely difficult to determine the true final destinations of materials exported for reuse. Under the revised Waste Framework Directive (WFD)³ Member States shall ensure that shipments of used textile assessed as fit for reuse comply with the requirement to record “*the name and address of the company responsible for the final sorting or preparing for re-use*” (Article 22d (b)(ii)). There remains some ambiguity around this requirement, especially as once exported, used textiles enter complex global flows, involving multiple steps, informal sorting and varying end-of-life outcomes or they may be re-exported from the first extra-EU destination unknowingly to the first exporter, mixed with other consignments, or diverted into informal markets, making their end-of-life pathways difficult to identify.

Evidence shows that used textiles imported to African markets with the intention of being resold frequently go unsold and leave the market as waste, ending up in open landfills or informal waste streams.⁴ Based on EEB's field observations from a visit to Kantamanto market in Accra, Ghana, in 2026, this occurs despite the market representing a far more extensive, professional and skilled upcycling economy than exists anywhere in Europe. Whilst market retailers in Kantamanto buy imported bales sold as second-hand clothing, the bales typically contain a high proportion of textiles that are low quality and/or in bad condition. These textiles cannot be sold without more investment into upcycling or repairs, making the purchase of bales a serious financial risk to the workers and shifting the financial burden from the producers who placed the items on the EU market in the first place, to the workers who have little financial security. This economic disparity is a central driver of environmental pollution, as textiles that cannot be sold are diverted into open dumpsites or waterways due to insufficient waste management infrastructure to manage the volumes leaving the market.⁵

Textiles directed to Asian processing zones are often downcycled into rags⁶, re-exported or landfilled if no viable recycling route exists.^{7,8} The textile recycling sector in Pakistan is simultaneously facing challenges that hinder its growth and efficiency. For example, the Karachi Export Processing Zone (KEPZ), which employs over 10,000 people, acts as a gateway for the recycling, redistribution and disposal of second-hand clothing from Europe and elsewhere. However, its recycling infrastructure is limited, and many recycling units rely on outdated technology which limits their ability to process waste, especially with the increasing complexity of textile materials, such as blended fabrics and synthetic fibres.⁹ This situation is likely to be exacerbated by the ongoing situation in the second-hand collection system in Europe which has sounded the alarm over ever-increasing rates of donations that cannot be handled

¹ EEA (2025) EU Export of used textiles. Available at: [link](#)

² EEA (2025) EU Export of used textiles. Available at: [link](#)

³ European Union (2025) Consolidated text: Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (Text with EEA relevance). Available at: [link](#)

⁴ Köhler et al. (2021) Circular Economy Perspectives in the EU Textile Sector. Available at: [link](#)

⁵ Personal communications with EEB

⁶ Köhler et al. (2021) Circular Economy Perspectives in the EU Textile Sector. Available at: [link](#)

⁷ EEA (2023) EU exports of used textiles in Europe's circular economy. Available at: [link](#)

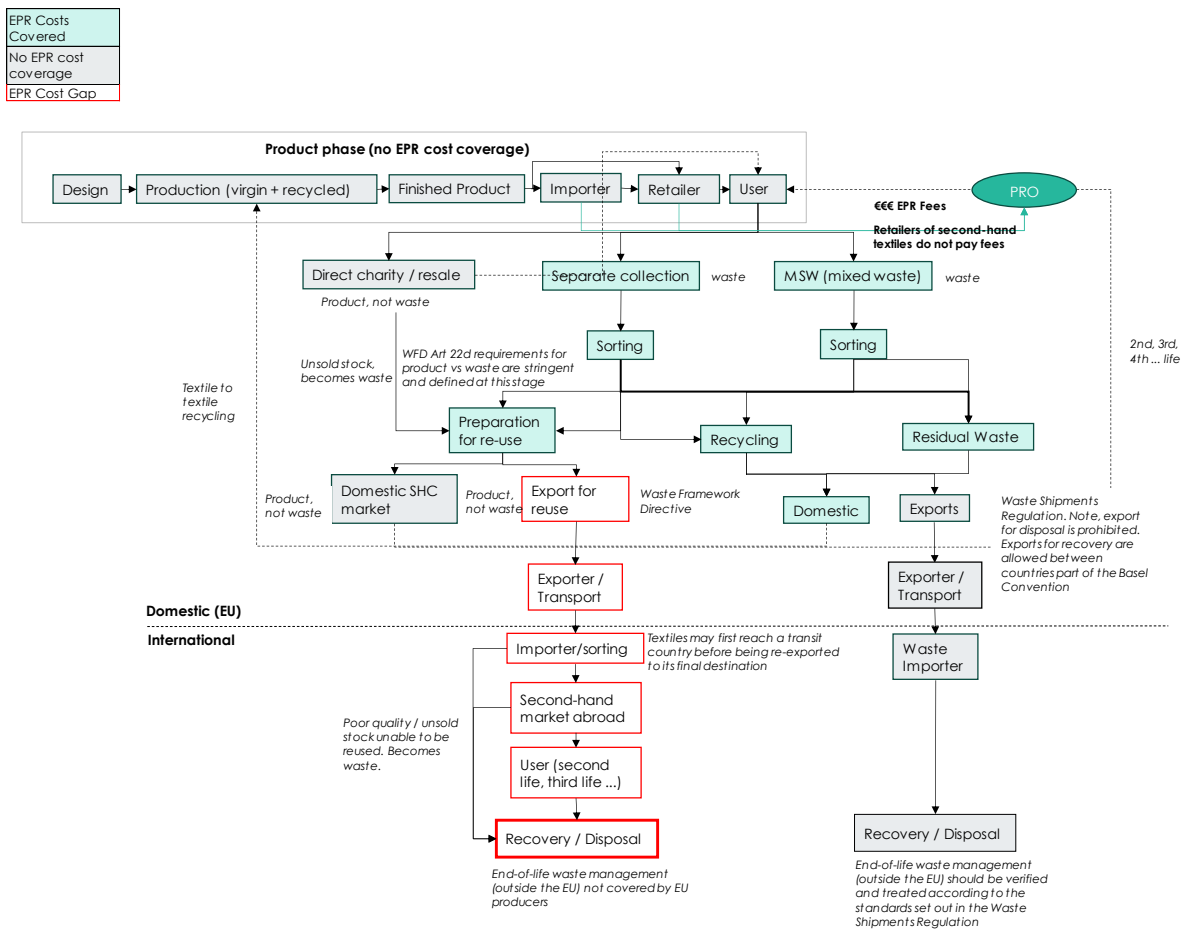
⁸ The Or Foundation (2022) What makes visible our separation from nature. Available at: [link](#)

⁹ Reverse Resources (2025) Comprehensive Overview of the Pakistan Textile Waste Industry. Available at: [link](#)

domestically.¹⁰ With EU second-hand demand and recycling capacity unlikely to match the amount of surplus items, exports will likely remain the dominant pathway for used textiles in Europe.¹¹

Extended producer responsibility (EPR) schemes are designed to ensure that producers bear the financial responsibility for the environmental impacts of the products they place on the market. However, under current conditions, these fees only cover end of life management within the EU and do not follow the material once it leaves the Union. As a result, the financial responsibility effectively stops at the border, while waste management costs of exported used textiles are externalised to importing countries. The flow diagram of global textile movement in Figure 2-1 illustrates where this breakdown occurs, specifically how exported bales leave the EU system, yet the fees meant to address their impacts do not flow to the countries where the end of life environmental and social burdens ultimately materialise, as has been shown for other waste streams in previous research.^{12,13}

Figure 2-1: Global textile trade



¹⁰ European Union (2025) Consolidated text: Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (Text with EEA relevance). Available at: [link](#)

¹¹ Sandberg & Pal (2024) Exploring supply chain capabilities in textile-to-textile recycling – A European interview study. Available at: [link](#)

¹² EEB (2023) Study on items shipped for reuse and Extended Producer Responsibility fees: A case for extending EU EPR fees to cover end-of-life activities of products shipped outside the EU. Available at: [link](#)

¹³ EEB (2023) Study on items shipped for reuse and Extended Producer Responsibility fees: Two case studies for used electronics and used cars. Available at: [link](#)

The case for 'global EPR'

EPR requires producers to bear the financial responsibility for managing the products they place on the market once consumers discard them. By setting a fee, EPR schemes have the potential to incentivise producers to adopt more environmentally sustainable practices throughout product design and operations. At the same time, the fees collected are used to cover end-of-life management costs, including collection and sorting.

For textiles, the revision of the WFD introduces mandatory EPR schemes across Member States, establishing both financial and organisational elements needed to support Member States in meeting new separate-collection targets. Currently, EPR fees do not 'travel' with products once they are exported. However, there is growing recognition across various product sectors that EPR should extend beyond traditional waste-management activities within the country where the product was first placed on the market.^{14,1516} Increasingly, it is being viewed as a mechanism that should ensure those working to re-commodify second-hand clothing items through resale, repair and re-manufacture in importing countries are fairly remunerated and cover the costs of cleaning up the environmental impacts caused by the surplus items which leave EU economies.

The potential for integrating transboundary transfer payments into EU EPR guidelines to ensure adequate funding for end-of-life management in receiving countries has been highlighted.¹⁷ Building on this idea, the concept of 'global EPR' has been proposed.^{18,1920} This goes further than conventional EPR by financing not only waste collection and treatment in the country where the item was first placed on the market, but also the management of textiles in the countries where the product reaches end-of-life.

A step towards EPR systems with broader geographical coverage is already being undertaken within the EU. The proposed regulation on circularity requirements for vehicle design and on management of end-of-life vehicles introduces the MOVE-HUB system, which will enable the transfer of EPR fees between Member States when vehicles are exported from the country of first registration and imported into another Member State. While confined to intra-EU movements, this mechanism establishes an important precedent for decoupling fee payment from the location of market placement and relocating responsibility in line with where end-of-life impacts occur.²¹

However, the opacity surrounding end destinations for used textiles means that even well-intentioned exporters, charities and policymakers lack visibility over where used textiles accumulate or how they are handled. This underscores the need for global EPR mechanisms that do not depend on precise tracking of the final waste stage, since such tracking is structurally unfeasible within current global trade systems.

Challenges faced by importing countries

Although exported used textiles are sold as commodities for reuse, the methods used to collect them (often in on-street containers) and their downstream impacts, closely mirror those of waste items. As outlined above, once these textiles leave the EU, they are sold to value chain actors within global reuse markets, primarily in Africa and Asia, where their eventual transition into waste is unavoidable. Imported used textiles are sorted, resold, repaired and repurposed to varying degrees, but all textiles will eventually

¹⁴ OECD (2024) Extended producer responsibility in the garments sector. Available at: [link](#)

¹⁵ Ellen MacArthur Foundation (2024) We need Extended Producer Responsibility (EPR) policy for textiles to reduce fabric waste. Available at: [link](#)

¹⁶ The OR Foundation, 2023. Stop Waste Colonialism. Available at: [Link](#)

¹⁷ Chatham House (2024) Circular textile trade scenarios between the EU and Ghana: Exploring the impact of EU textile policies on trading partner countries. Available at: [link](#)

¹⁸ Thapa, K., W.J.V. Vermeulen, O. Olayide, P. Deutz (2022) Brief: Blueprint for Ultimate Producer Responsibility. Available at: [link](#)

¹⁹ WRAP (2025) Textiles Extended Producer Responsibility (EPR): Frequently Asked Questions. Available at: [link](#)

²⁰ The OR Foundation, 2023. Stop Waste Colonialism. Available at: [Link](#)

²¹ European Commission (2023) Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on circularity requirements for vehicle design and on management of end-of-life vehicles, amending Regulations (EU) 2018/858 and 2019/1020 and repealing Directives 2000/53/EC and 2005/64/EC. Available at: [link](#)

become waste, especially due to declining quality, material degradation, increased operating costs and oversupply.

This underscores a core challenge, that even when exported as reusable goods, used textiles inevitably become waste at some point, in countries that often lack the capacity to manage such waste safely or sustainably. Because the environmental and social impacts occur outside the EU, despite originating from products placed on the EU market, these burdens remain outside of the scope of cost-coverage under the current system of textiles EPR in the EU.

Whilst the existence of both unwearable and unsellable items in exported used textile bales is well-documented, much of the discourse has focused on trying to differentiate the percentage that arrives as waste from the percentage that ultimately becomes waste so as to focus the conversation on the role of improved sorting. While better sorting can play a role, designing EPR schemes that include importing countries in cost coverage must rather focus on the structural reality that a textile item in an exported bale will eventually become waste at some point.

Legal context

Under the WFD, definitions exist to distinguish waste from reusable materials, and waste should only cease to be classified as such when it meets specific end-of-waste criteria. 'Waste' is classified as *"any substance or object which the holder discards or intends or is required to discard"*, whilst 're-use' means *"any operation by which products or components that are not waste are used again for the same purpose for which they were conceived"* (Article 3).²²

In principle, the export of waste to countries without adequate treatment capacity is prohibited under the new Waste Shipment Regulation (WSR) (Article 40).²³ However, in practice, shipments declared as "used goods for reuse" will, as outlined above, often contain items which become waste, as well as items which are clearly waste and have been purposefully placed within bales of items identified as reusable to bypass these regulatory safeguards. This discrepancy highlights the structural challenge that regulatory frameworks assume clear categorisations, while real-world exports fall into a grey zone where waste and reusable textiles are intermingled, enabling the externalisation of environmental and economic costs.

For example, clothing that does not meet the specified waste criteria and so is exported outside of the EU for the purpose of reuse, may not be sold due to unsuitability for the consumer's preferences and so is disposed of as waste.²⁴ As the distinction between used textiles and textile waste is complex, adopting the principle that all used textiles will ultimately become waste helps reduce ambiguity about which items should be subject to fees.

The requirement for EU Member States to separately collect textile waste from 2025 onwards may exacerbate the situation by increasing the volume of collected textiles without guaranteeing adequate sorting and recycling capacity within the EU.²⁵ If capacity fails to scale, more material may be exported, further intensifying the mismatch between the WFD's intent and actual outcomes.

²² European Union (2025) Consolidated text: Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (Text with EEA relevance). Available at: [link](#)

²³ European Union (2025) Regulation (EU) 2024/1157 of the European Parliament and of the Council of 11 April 2024 on shipments of waste, amending Regulations (EU) No 1257/2013 and (EU) 2020/1056 and repealing Regulation (EC) No 1013/2006 (Text with EEA relevance). Available at: [link](#)

²⁴ The Or Foundation (2022) What makes visible our separation from nature. Available at: [link](#)

²⁵ EUWID (2026) Swedish company Sysav to divest its automated textile sorting plant. Available at: [link](#)

3.0 Definitions of Global EPR

The term “Global Extended Producer Responsibility (Global EPR)” (or Ultimate Producer Responsibility) is increasingly used to describe approaches that seek to finance the end-of-life management costs of products placed on the EU market once those products circulate beyond EU borders. However, there is currently no single agreed definition. Rather, Global EPR encompasses a range of possible interpretations that reflect different views on scope of producer responsibility and the objectives of EPR in a globalised textile value chain. For instance, some descriptions frame it narrowly as a mechanism to cover waste collection and treatment costs in countries receiving waste textile exports, including through direct financial transfers or dedicated supporting municipal waste systems in key import markets.²⁶ Another definition, coined by The Or Foundation as ‘Globally Accountable EPR’, calls for EPR to be reimagined through the lens of just-transition, with fees being channelled along three tiers: collection, sorting and resale and recycling operations.^{27,28} In practice, differences in how Global EPR is defined tend to relate to the scope of activities covered and how responsibility is conceptualised and operationalised.

The scope of textile EPR is still evolving. Existing schemes have not followed a fixed model: in France, for example, the scope of EPR has expanded over time to include additional activities such as repair. This demonstrates that the purpose and KPIs set by public authorities shape the activities that PROs are required to fund. In this context, considering a geographic expansion of EPR cost coverage is a reasonable next step, particularly where EU-origin textiles are exported for reuse and eventually become waste outside the EU-funded system.

For Global EPR, the key question is therefore not whether cost coverage should follow a narrow or broad ‘conventional’ model, but what objective the mechanism is intended to achieve. At a minimum, funding could support activities linked to the management of textiles once they become waste in importing countries, including collection, sorting, recycling and safe disposal. It could also support activities that reduce or delay waste generation, such as repair, refurbishment, preparation for reuse and improved local sorting systems. These activities should not be seen as separate from end-of-life management, but as part of the same objective: reducing the unmanaged waste burden associated with EU-origin textiles.

The eligible scope of cost coverage should therefore be defined according to the purpose of the Global EPR mechanism, and tested with importing-country stakeholders to ensure that it reflects local market conditions, waste management realities and policy priorities

A further distinction lies in how responsibility is attributed. One potential approach links funding to specific activities or geographies, while another treats downstream impacts as predictable outcomes of upstream production and consumption. In the latter case, Global EPR could operate more as a collective financing or risk-pooling mechanism, without relying on precise product tracking or strict end-of-waste definitions. The emphasis shifts from compensating discrete activities associated with exact quantities of textiles, to recognising that textiles placed on the market will ultimately generate impacts somewhere in the global system.

These variations have important implications for scheme design, influencing how costs are defined, how responsibilities are geographically allocated and the degree of tracking required. Notwithstanding these differences, at a minimum Global EPR should extend the polluter-pays principle beyond EU borders. Producers placing textiles on the EU market should bear financial responsibility for downstream impacts wherever they occur and irrespective of when specific items become waste, with funds channelled to the regions where the environmental and social costs of textile waste are ultimately borne.

²⁶ WRAP (2025) Textiles EPR Frequently Asked Questions. Available at: [Link](#)

²⁷ SHEIN (2022) The Or Foundation and SHEIN Lay Groundwork for Global Change with Multi-Year Extended Producer Responsibility Fund. Available at: [Link](#)

²⁸ The Or Foundation (2023) Stop waste colonialism! Leveraging Extended Producer Responsibility to Catalyze a Justice-led Circular Textiles Economy. Available at: [Link](#)

4.0 Current EPR Framework and Gaps

This section provides an overview of the current EPR framework both generally and specifically for textiles under the revised WFD, with a particular focus on the provisions most relevant to the management of textiles that are reused and exported beyond the EU. The aim is not to restate the Directive in full, but to identify how existing requirements allocate responsibility for collection, sorting, reuse and end-of-life management, and where those arrangements create structural gaps when textiles circulate internationally.

The section first outlines the general EPR requirements applicable to all product streams under Articles 8 and 8a of the WFD, before examining the textile-specific provisions introduced under Article 22. It then considers how the Directive addresses reuse, waste status and end-of-waste, including the rules governing exports of textiles assessed as fit for re-use. Where relevant, the interaction with the Waste Shipment Regulation is described to clarify the regulatory treatment of textiles classified as waste, although such shipments fall outside the scope of this study. Together, these elements establish the regulatory baseline for textile products placed on the market and exported for reuse, against which the feasibility of Global EPR is assessed in the subsequent sections.

General EPR Requirements

Article 3 of the WFD provides the relevant definition of EPR as:

“a measure that seeks to ensure producers take financial responsibility for the management of a product they placed on the market after it has been discarded by the consumer, and through the setting of a fee, producers can be incentivised to take up more environmentally sound practices across their product design and operations. At the same time, fees raised through EPR schemes are used to cover costs associated with the product's end-of-life.” (Article 3, 21).

This definition highlights two core functions of EPR: first, to ensure that producers finance end-of-life waste management; and second, to use fee design as a policy lever to influence upstream product design and environmental performance.

Article 8 of the WFD provides a general overview of requirements related to EPR for all in scope product streams and Article 8a goes a step further in defining the minimum requirements for the implementation of EPR schemes. Article 8a provides that where EPR schemes are established in accordance with Article 8, Member States shall:

“define in a clear way the roles and responsibilities of all relevant actors involved, including producers of products placing products on the market of the Member State, organisations implementing extended producer responsibility obligations on their behalf, private or public waste operators, local authorities and, where appropriate, re-use and preparing for re-use operators and social economy enterprises” (Article 8a, 1a)

The framing of relevant actors recognises that EPR operates across the full waste management chain, involving multiple actors with interdependent roles.

Governance and system design

Article 8a of the WFD makes clear that EPR schemes are intended to operate as coordinated, system-level mechanisms, rather than as fragmented or purely commercial arrangements. Member states are required to have

“a clearly defined geographical, product and material coverage without limiting those areas to those where the collection and management of waste are the most profitable (Article 8a, 3a)

This provision is intended to prevent ‘cherry-picking’, whereby producers would otherwise avoid financing more expensive or less profitable waste management activities, leaving these costs to be borne by local authorities or the public. Instead, it reinforces the principle that producers remain financially responsible for waste management outcomes across the full scope of the system, including where costs are higher or operationally more complex.

However, while Article 8a establishes a strong systems logic, it does not specify how that logic should be applied when waste streams extend beyond national borders. The requirement for comprehensive geographical coverage is framed at Member State level and is primarily intended to prevent selective collection or treatment within national territories. At the same time, the Directive does not address situations in which products placed on the EU market are subsequently exported outside of the EU as reusable goods and generate waste management burdens elsewhere. As a result, while “geographical coverage” could be interpreted strictly as the territory in which collection and treatment are organised, it could be understood more broadly in relation to where waste management impacts arise once products circulate beyond the EU.

This ambiguity is further reflected in the Directive’s data and transparency provisions. Article 8a requires Member States to ensure

“that a reporting system is in place to gather data on the products placed on the market of the Member State by the producers of products subject to EPR and data on the collection and treatment of waste resulting from those products specifying, where appropriate, the waste material flows.” (Article 8a, c)

The explicit reference to waste material flows signals an intention to link products placed on the market with downstream treatment outcomes. However, the reporting obligation is framed in relation to products placed on the market of the Member State and does not specify whether, or how, waste treatment (which occurs once second-hand (resale) products become waste) occurring outside national or EU waste management systems should be captured once products cross borders. In practice, this creates a gap between the Directive’s emphasis on traceability and accountability, and the current ability of EPR schemes to capture and reflect end-of-life outcomes occurring outside the EU after products become waste.

Taken together, these provisions show that the EPR framework is broad in its stated objectives but narrow in how responsibility is operationalised. Article 8a clearly frames EPR as a collective, transparent mechanism connecting products placed on the market to waste management outcomes in the value chain. At the same time, it leaves unresolved how financial responsibility should be allocated when waste management impacts materialise beyond the territorial boundaries of the Member State or the EU. This legal ambiguity is central to the question addressed in this study: whether, and how, EPR fee structures could be extended to reflect transboundary waste management outcomes when reuse products eventually become waste without contradicting the core principles of the Directive.

On the basis of this assessment, there does not appear to be a fundamental legal barrier to making EPR globally accountable. Further legal testing would be required at EU and Member State level, but Global EPR should not be assumed to be voluntary by default. Where contributions are clearly linked to identifiable proportionate waste management costs for EU-origin used textiles outside the EU, there is a credible basis for considering how they could be integrated into mandatory EPR frameworks.

Producers

For textiles, the WFD defines the scope of EPR by anchoring obligations firmly to the first placing of new products on the market. Article 3 identifies producers subject to EPR as

“any manufacturer, importer or distributor or other natural or legal person, that, irrespective of the selling technique used...is established in a Member State and manufacturers textile, textile-related or footwear products...for the first time under its own name or trademark within the territory of that Member State” (Article 3, 4b).

Although the Commission will evaluate “the possibility of requiring a financial contribution from commercial re-use operators, in particular larger ones” by 31 December 2028 as specified under Article 41a, the WFD draws an explicit boundary around this responsibility by excluding second-hand market actors from the producer definition. Article 3d specifies that producers do

“not include manufacturers, importers or distributors or other natural or legal persons that supply used textiles...assessed as fit for re-use....or....derived from those used or waste products or their parts on the market” (Article 3, d).

As a result, the resale, redistribution, or export of used textiles does not currently trigger new EPR obligations under the Directive.

However, national implementation experiences differ in countries where EPR schemes were established prior to the recent revision of the WFD. In Latvia, where approximately 25% of textile consumption is accounted for by second-hand goods, importers of used textiles are subject to EPR fees.²⁹ The Latvian case illustrates how legacy policy frameworks can maintain broader scopes of obligation where they were established prior to harmonised EU-level revisions. In contrast, Member States which face similar market conditions, such as Estonia and Lithuania, established their EPR schemes following the revision of the WFD and so do not have the same regulatory requirement to include second-hand importers within the scope of producer responsibility.

The definition outlined in Article 3 of the WFD indicates that EPR schemes for textiles are designed to cover the end-of-life costs of new products. Within national systems, this can mean that original producers contribute, through pooled EPR financing, to the collection and sorting of the same item more than once where textiles are reused and re-enter waste streams domestically. This does not reflect the creation of new obligations at each stage, but rather the repeated use of the same pooled financing mechanism and the product cycles through multiple use and waste phases. However, this cost internalisation operates only within the boundaries of the Member State or the EU. Where products subsequently enter transboundary reuse flows, producers' financial responsibility effectively ends at the point of export, even though waste management impacts may arise later outside the Member State or the EU.

For this study, the key point is where responsibility sits. Under the Directive, second-hand sellers and re-sale actors are not considered producers, meaning responsibility does not transfer when a product is re-sold or exported for reuse. Although the Directive foresees a future evaluation of whether commercial reuse operators should be brought within scope, any such change remains uncertain. In the absence of this, adjustments to EPR fee structures to account for transboundary textiles flows would need to be applied upstream, at the point of first placing the product on the market.

Financial contributions and fee setting

Article 8a of the WFD establishes a deliberately bounded approach to EPR financing. On the one hand, it makes clear that producer contributions must cover

“the costs of separate collection of waste and its subsequent transport and treatment” (Article 8a, 4).

²⁹ Zero Waste Europe (ZWE) (2025) Transposing textiles EPR: the EU state of play in 2025. Available at: [link](#)

This obligation explicitly extends to treatment necessary to meet EU waste management targets, as well as the costs associated with consumer information, data collection, and reporting. In effect, the Directive links EPR fees to the full operational chain required to deliver compliant waste management outcomes.

At the same time, the Directive introduces an explicit requirement relating to efficient delivery of services. Article 8a(4c) specifies that financial contributions

“shall not exceed the costs that are necessary to provide waste management services in a cost-efficient way” and must be established transparently between the relevant actors (Article 8a, 4c).

This framing does not impose a fixed ceiling on fees, but it does anchor them to justifiable service costs, implicitly excluding the use of EPR schemes as general revenue-raising instruments. As a result, any expansion of the scope of cost-coverage must likewise be subject to the requirement for cost-effective delivery of services.

Recent developments in France illustrate why this cost-link is important in practice. Refashion (France's textile EPR PRO) has faced scrutiny over the operation of the French textile EPR system, including a reported €170,000 fine for failures to provide free collection services and concerns around system overload, accumulated textile waste, and costs being pushed onto local authorities and social economy actors. The French government has also announced tighter oversight, including audits, new performance requirements and limits on Refashion's cash flow.³⁰ This highlights the sensitivity of EPR fee design: producer contributions must be sufficient to fund the services required, but reserves and expenditure must also be clearly justified, transparent and linked to the efficient delivery of identifiable waste management functions.

Crucially, the Directive does not treat these costs as static. Through the introduction of fee modulation, Article 8a(4b) embeds a life-cycle perspective into EPR design, requiring that contributions, where possible, reflect product characteristics such as durability, reparability, re-usability, and recyclability. This shifts EPR from a purely downstream financing mechanism towards a tool for shaping upstream behaviour. Producers are not only paying for waste management outcomes but are also being financially signalled to reduce those costs through improved product design.

Taken together, these provisions expose a structural tension within the current EPR framework. Eco-modulated fees can reduce producer contributions where products are designed for reuse or longer lifetimes, on the assumption that they are less likely to become waste. However, when reusable textiles are exported and reach end of life outside the EU, the resulting waste management costs fall outside the EPR system that initially rewarded those design features. This creates a misalignment between who benefits from lower EPR fees and who ultimately bears waste management costs, with receiving countries absorbing costs not accounted for under the Directive.

Cross-border considerations

Overall, the WFD anchors producer responsibility to products placed on the market within a Member State and to the management of waste arising from those products within the EU or when exported as waste (under the Waste Shipment Regulation). The Directive therefore operates on a territorial basis, with obligations designed around national markets and domestic waste infrastructure.

At the same time, the Directive acknowledges that EPR schemes do not operate in isolation, providing that

“the Commission shall publish guidelines, in consultation with Member States, on cross-border cooperation concerning extended producer responsibility schemes and on the modulation of financial contributions” (Article 8, 5).

³⁰ Modaes, 2026. French Authorities Impose €170,000 Fine on Refashion for Waste Management Breaches. Available at: [link](#)

This provision signals an awareness that EPR systems may interact across jurisdictions, and that some degree of alignment or cooperation is necessary. However, this recognition remains unclear and is currently framed as an issue of coordination between schemes, rather than as a question of how financial responsibility should follow products beyond national boundaries.

A more concrete articulation of this principle is emerging in the proposed EU Regulation on Circularity Requirements for Vehicle Design and on the Management of End-of-Life Vehicles, where the introduction of the MOVE-HUB system would enable the transfer of EPR fees between Member States when vehicles are exported and re-registered within the EU³¹.

Introduction of Mandatory EPR for Textiles

Building on the general EPR framework requirements set out in Articles 8 and 8a, the revised WFD introduces textiles as a priority product group for EPR. Article 22a requires Member States to establish EPR schemes for textiles, textile-related and footwear products by 17 April 2028. Producers of textiles are defined as those that

“make [textiles] available on the market for the first time” (Article 22a, 1),

Consistent with the general EPR framework, textiles EPR schemes are typically implemented as collective systems, most commonly through producer responsibility organisations and involving a wide range of actors. Article 22a(7) requires Member States to ensure that “relevant actors are involved in the implementation” of textiles EPR schemes, explicitly including re-use and preparing-for-re-use operators and social economy entities. While the Directive does not define “involvement” in detail, in this analysis it is interpreted as formal participation in the design, governance, or delivery of EPR systems, for example through recognised operational roles, contractual arrangements, or structured engagement mechanisms, rather than the transfer of producer responsibility or financial liability to these actors.

Textiles EPR significantly expands the scope of costs to be covered compared to many existing schemes. Article 22a(8) requires producers to cover the costs of:

- The collection of used and waste textiles,
- The transport of collected textiles for subsequent sorting
- Sorting, preparing for re-use, recycling and other recovery operations, and
- The disposal of residual fractions arising from these operations

These requirements make clear that textiles EPR is intended to finance not only end-of-life treatment, but also the upstream post-use activities that enable reuse and recycling pathways to function. At the same time, Article 22a(12) reiterates the general EPR constraint that covered costs “shall not exceed costs that are necessary to provide the services... in a cost-efficient way” and must be established transparently between relevant actors.

Waste Status and Separate Collection of textiles

The revised WFD clarifies how textiles move between the product and waste regimes, with important implications for reuse and export flows. Article 22c requires Member States to establish separate collection systems for textiles. Under this system, Article 22d(2) specifies that used and waste textiles that are separately collected “are considered to be waste upon collection”.

³¹ European Commission, 2020. End-of-life vehicles – revision of EU rules. Available at: [Link](#)

A limited exception applies where textiles are directly handed over by end users and professionally assessed as fit for re-use at the collection point by a re-use operator or social economy entity. In such cases, textiles are not considered waste upon collection (Article 22d, 3). This carve-out is intended to protect genuine reuse activities, but it places significant weight on assessments made at the point of collection.

More generally, Article 6 of the Directive sets out the conditions under which waste may cease to be waste following a recovery operation, but does so at a high level. While the Directive provides that

“the Commission shall monitor the development of national end-of-waste criteria in Member States and assess the need to develop Union-wide criteria on this basis.” (Article 6, 2),

no harmonised criteria currently exists for textiles. In their absence, Member States

“may establish detailed criteria” or “may decide on a case-by-case basis...that certain waste has ceased to be waste” (Article 6, 4).

In practice, this leaves substantial discretion to Member States and competent authorities, and by extension to operators responsible for sorting and assessment, when determining whether textiles have ceased to be waste. This discretion affects not only the volume of textiles classified as suitable for reuse, but also their quality and likelihood of being resold. The Directive does not set minimum thresholds for reuse suitability, nor does it require consideration of downstream market or environmental conditions in destination countries.

As a result, textiles assessed as reusable may still have limited functional value in receiving markets. While the timeframe over which such items become waste may vary, this does not alter the underlying outcome: the costs of managing these materials are likely to arise in importing countries, rather than where the products were originally placed on the market.

Exports for re-use

Recognising the risks associated with misclassification, the Directive introduces specific requirements governing shipments of textiles assessed as fit for re-use. Article 22d (9) establishes detailed sorting, documentation, and record-keeping obligations intended to improve traceability and reduce the risk that waste is exported under the guise of reuse. These provisions respond directly to the absence of a harmonised end-of-waste criteria, which otherwise leaves scope for variation in how reuse is assessed across Member States.

Where textiles are exported as waste, shipments fall under the EU Waste Shipment Regulation (Regulation (EU) 2024/1157)³², which imposes binding requirements for prior notification and consent, traceability, and proof of environmentally sound management. Under the revised WSR (Regulation (EU) 2024/1157), exports of waste for disposal are prohibited to all third countries (Article 37, 1). Exports of waste for recovery to countries that are not part of the Basel Convention are also prohibited (Article 36, 1). Exports for recovery to Basel Convention countries are permitted only where the destination country has been authorised by the Commission and where environmentally sound management, prior notification, consent, and traceability requirements are met (Articles 4, 5 and 6).

By contrast, textiles exported as verified products for re-use do not constitute waste and therefore fall outside the scope of the Waste Shipment Regulation. Once exported, such products also fall outside the scope of EU waste and EPR legislation.

This distinction reflects the broader logic of the WFD, which anchors regulatory oversight and producer responsibility to waste management activities occurring within a Member State. Second-hand sellers and

³²European Union, 2024. REGULATION (EU) 2024/1157 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL. Available at: [Link](#)

distributors of reused textiles are explicitly excluded from the definition of producers, and responsibility under EPR does not transfer with resale. Within national systems, this is managed through pooled financing: fees paid by original producers fund the management of textile waste arising domestically, regardless of how many times individual items are collected, sorted and prepared for reuse.

However, this logic does not extend seamlessly to reuse exports outside of the EU. When textiles are exported out of the EU for reuse, they exit the national and EU waste management system financed by the original producer's EPR contributions and enter a new system in a third country. If and when those textiles become waste, their management is no longer covered by the EPR scheme that initially covered their end-of-life costs. This creates a structural gap in cost coverage, where responsibility under the polluter-pays principle effectively ends at the point of export, even though the product originated on the EU market.

Translation of WFD Requirements: France and the Netherlands

To understand how the revised WFD is being translated into practice, this section provides a brief overview of selected national textile EPR schemes. The case studies illustrate how Member States are operationalising the Directive's requirements, particularly in relation to reuse and exports.

Figure 4-1 below summarises the current global state of play for textile EPR. At present, binding textile EPR schemes are in place in France, Hungary, Latvia, and the Netherlands. All EU Member States must have separate textile collection in place from January 2025 and fully operational national textile EPR schemes by 2027.

Across the schemes reviewed, there is no fundamental legal prohibition on making EPR more globally accountable. However, existing schemes are primarily designed around national obligations, targets and approved cost categories. As a result, extending EPR fee coverage to support the management of EU-origin textiles outside the EU would require further clarification or amendment to scheme rules, PRO mandates, fee methodologies or eligible cost categories.

Figure 4-1 Global Implementation of Textile EPR

In the EU		Beyond the EU
Operational – Mandatory in the EU - France – mandatory since 2007 - Hungary – mandatory since 2023 - Latvia – mandatory since July 2024 (3 PROs) - Netherlands – mandatory since 2023	Need info! Cyprus	Mandatory - upcoming - California – Responsible Textile Recovery Act adopted in 2024, EPR implementation by July 2028 - Norway – Draft text published in October 2025, EPR expected to start in January 2027 Voluntary - Australia - voluntary - Colombia – voluntary (pilot project)
Non-operational/In-development - Austria – in discussion - Belgium – being negotiated at federal level - Bulgaria – in discussion (draft regulation) - Croatia – waste management fees in place (to be aligned with WFD) - Czech Republic – in discussion - Denmark – in discussion - Estonia – in discussion, planned by the autumn 2027 - Finland – in discussion - Germany – in discussion - Greece – in discussion - Ireland – in discussion (through Textiles Advisory Group) - Italy – will become operational in 2026 - Luxembourg – in discussion - Malta – in discussion - Lithuania – in discussion, planned by 2028 - Poland – in discussion - Portugal – in discussion, planned by January 2028 - Romania – in discussion, transposition to start in 2026 - Slovakia – no movement - Slovenia – current law limits to one PRO - Spain – planning implementation for 2025 (draft royal decree) - Sweden – in discussion, expected proposal by November 2026		Non-operational/In-development - Brazil – debated - Canada - debated - Chile – discussed (planned in the roadmap for circular Chile by 2040) - Ghana – early-stage discussion - Kenya - debated - New York City – proposed - North Macedonia – legislation enacted to introduce EPR - Republic of Moldova – now in place? (more info needed) - AIEX Workshop on sustainable textile waste management - UK – EPR for textiles likely to be announced in March 2026 (tbc) - Switzerland – in discussion - Washington - proposed

Error! Reference source not found. provides an overview of how textile EPR is currently being implemented in France and the Netherlands offering insight into how policy intent translates into material flows in practice. Together, the two case studies reveal a clear direction of travel: EPR schemes are increasingly designed to strengthen domestic reuse, yet the reality of global reuse markets means that the majority of reused textiles continue to move beyond national borders, with around 1.4 million tonnes of textiles being exported for reuse each year since 2015, 46% to Africa and 47% to Asia³³ In contrast, only around 451kt of textiles were reused within the EU27 in 2021³⁴

Table 4-1 Textile EPR Implementation in France and the Netherlands

	France	Netherlands
Regulation	Environmental Code (Code de l'environnement), Articles L541-10 to L541-10-17) ³⁵	Extended Producer Responsibility for Textiles Decree (Uitgebreide Producentenverantwoordelijkheid Textiel) ³⁶
Date of Implementation	2007 (multiple revisions)	1 July 2023. Obligations phase in; performance targets apply from 2025
In scope materials	Clothing, footwear and household linens	Clothing and household textiles (footwear excluded)
Producer Definition	Any person who, in a professional capacity, places on the market for the first time within the national territory a product subject to EPR, including products resulting from reuse or preparation for reuse (Environmental Code, Art. L541-10)	Any entity that professionally places textile products on the Dutch market for the first time, including via distance selling (importers and online sellers included)
Producer Responsibility	Collective EPR via a single approved PRO	Collective EPR via one or more approved PROs
Producer Responsibility Organisation (PRO)	Refashion	Stichting UPV Textiel (main PRO; additional PROs possible)
Costs Covered	Contributions cover the costs of prevention, collection, transport and treatment of waste (including littered/illegally managed waste where specified), plus data/monitoring and scheme costs	Collection, sorting, preparation for reuse, recycling and disposal of post-consumer textiles; system set-up and operation; monitoring, reporting and communication

³³ UN Comtrade Database, n.d. Trade Data. Available at: [Link](#) 2025 data analysed by Eunomia.

³⁴ EEA, 2025. Textile reuse per person per year. Available at: [Link](#)

³⁵ Republique Fracaise, Article L541-10-17 - Code de l'environnement. Available at: [Link](#)

³⁶ Government of the Netherlands, 2023. Decree on rules extended producer responsibility for textile products. Available at: [Link](#)

	(as set out in the Environmental Code). Refashion also operates dedicated reuse/repair funding instruments (Reuse Fund / Repair Bonus mechanisms).	
Fees	Item-based fees (per piece), defined in a national tariff ("barème") by product category, simplified declaration option available Generated €120.5 million in 2024	Weight-based fees set by producer organisations (€/kg), not fixed in legislation
Eco-Modulation	Yes. Fees modulated based on environmental performance criteria (e.g. durability, recyclability, presence of hazardous substances, incorporation of recycled fibres)	Yes. Eco-modulation required, including incentives for durability, reuse potential and recyclability (implementation still evolving)
Targets	Collection, recycling and reuse targets set via state-approved specifications; includes a local reuse target (15% within 1,500 km by 2027)	Binding targets for reuse and recycling: rising to 75% reuse/recycling by 2030, with minimum reuse and domestic-reuse shares
Exports	No explicit mechanism for transferring EPR fees abroad. Reuse exports permitted; EPR cost coverage ends at domestic sorting/preparation stages	No explicit mechanism for fee transfer to importing countries. Exports for reuse allowed, but downstream end-of-life abroad not covered by Dutch EPR

In France, around 60% of collected textiles are assessed as reusable after sorting. Of this reusable fraction, 5% are reused domestically with the remainder exported for reuse.³⁷ In the Netherlands, the proportion of collected textiles considered reusable after sorting is even higher, at around 80%. Domestic reuse performance is also stronger: around 26% of textiles assessed as reusable after sorting are reused on the national market, while the remainder is exported.³⁸

These figures should be distinguished from national reuse targets, which are generally expressed against a broader scheme level base rather than only the post-sorting reusable fraction. Against this backdrop, a clear policy trend has emerged: the introduction of explicit domestic reuse targets within textile EPR schemes. France has set a reuse target of 15% by 2027³⁹, while the Netherlands has embedded reuse objectives from the outset, requiring 20% of textiles to be prepared for reuse by 2025, rising to 25% by 2030, and 10% to be reused domestically by 2025, increasing to 15% by 2030. These targets signal an awareness that local reuse rates are low compared to export rates.

³⁷ EMF, 2024. EPR for Textiles in France. Available at: [Link](#)

³⁸ EMF, 2024. EPR for Textiles in the Netherlands. Available at: [Link](#)

³⁹ EMF, 2024. EPR for Textiles in France. Available at: [Link](#)

However, these reuse targets remain modest when set against current material flows, where, in practice 95% of textiles assessed as reusable are exported from France, and 75% from the Netherlands, reflecting the size, maturity and economic importance of reuse markets outside the EU. Even with ambitious domestic reuse targets, the majority of reused textiles are therefore likely to continue leaving national systems for the foreseeable future. As a result, in the case of France and the Netherlands, most textiles that are reused, and that will ultimately become waste, exit the systems financed by EPR.

The financial significance of these exported flows is material. In 2021, Refashion reportedly spent €23.5 million on sorting in France and Europe, while around 80% of tonnages collected under the French EPR programme were exported. On a simple pro-rata basis, this suggests that a substantial share of French EPR sorting support was associated with textiles that ultimately left the French system. The OR Foundation has also estimated that applying Refashions €80/tonne reuse sorting support rate to France's 2021 exports to Haiti, Lebanon and African countries would amount to approximately €5.7 million, while no equivalent funding was distributed to communities, governments or NGOs in those receiving countries.⁴⁰ From a circular economy perspective, restricting or discouraging reuse exports is neither realistic nor desirable. The policy challenge is therefore not whether textiles should be reused abroad, but how responsibility for the inevitable end-of-life management is allocated once they leave the EU.

5.0 The case for 'Global EPR' – Distributing EPR Fees to Importing Countries

This section sets out a range of potential design choices for extending EPR systems beyond the country of sale. It does not seek to identify a single preferred option, but rather to structure the key considerations and highlight feasible approaches based on stakeholder input.

The analysis is informed by secondary research and targeted primary research with stakeholders across the used textiles value chain. This included two focus groups: one with two EU-based stakeholders and one with three stakeholders in African countries that receive used textile exports. These were supplemented by one additional one-to-one interview and written feedback from two further stakeholders.

The primary research was designed to capture a diversity of perspectives on the practical, financial and governance implications of extending EPR responsibility.

EU-based stakeholders engaged through the research included:

- Circular textiles value-chain coordination body
- Industry-led climate advocacy group
- Environmental NGO
- Recycling industry association
- National environmental regulatory authority

Stakeholders engaged in importing countries, with a focus on African countries, included:

- National environmental regulatory authority

⁴⁰ The OR Foundation, 2023. Stop Waste Colonialism!. Available at: [Link](#)

- Environmental NGO
- Circular textile operator

Together these inputs provided insight into both the design and implementation challenges faced by EU actors, and the operational and financial realities experienced by stakeholders managing used textiles in importing countries.

The primary research was structured around key design-stage areas for a potential global EPR. These topics were framed to follow the full flow of funds: from how fees could be collected and ring-fenced on the EU side, through to how they could be received, allocated, spent and audited in importing countries. They also considered the overarching legal, governance and financial mechanisms that would be needed to make such a system operational.

The key topic areas discussed with stakeholders were:

- **Section 5.1: Transfer mechanisms and key actors**
- **Section 5.2: Determining the magnitude of fees**
- **Section 5.3: Allocating fees across importing countries**
- **Section 5.4: Data, audit and assurance requirements**
- **Section 5.5: Legal and financial mechanisms**

The following sub-sections present the findings from the secondary research, focus groups, one-to-one interview and written feedback against each of these design areas. The analysis sets out a range of potential options for how a Global EPR scheme could work in practice. These options are not intended to be exhaustive, nor do they recommend a “best” approach. Rather, they provide a structured starting point for further development, testing and stakeholder engagement.

Each option would require further analysis and consultation with both EU-based stakeholders and importing-country actors to fully assess its feasibility in practice and its suitability for different local conditions. In particular, any mechanism would need to be designed so that Global EPR funding is integrated into EPR systems from the outset, while allowing the approach to evolve over time as better data becomes available.

A key consideration is that the methodology for determining the magnitude of Global EPR fees would need to be carefully tested before introduction. It should be sufficient to provide meaningful support for waste management actors in importing countries, but should not displace the funding needed for domestic EU EPR obligations where they exist. However, the methodology should not be fixed permanently from the outset. It could begin with a simpler approach, and evolve over time as better data becomes available.

5.1 Transfer Mechanisms and Key Actors

This section considers how Global EPR funding could move from producers in the EU to actors managing textile flows in importing countries. Actors are presented according to their potential role in the system:

- **Collection of fees** (who gathers funds from producers)
- **Transfer of fees** (who moves funds across borders)
- **Allocation of fees** (who decides how funds are distributed)

- **Implementation on the ground** (who delivers textile waste management activities)
- **Auditing and governance** (who oversees the management of fees)

While individual actors may perform multiple roles, distinguishing between these functions clarifies responsibilities and highlights key trade-offs within different system designs.

5.1.1 Collection of fees

At the collection stage, mechanisms should aim to integrate with established EU EPR systems, ensuring efficiency, regulatory compliance and minimal additional burden for producers. The choice of actor at this stage has important implications for administrative complexity, consistency across Member States and the extent to which Global EPR can be embedded within existing frameworks.

5.1.1.1 National Producer Responsibility Organisations (PROs)

National PROs would collect Global EPR contributions alongside existing domestic EPR fees, either as a clearly ringfenced component or as an additional fee layer. This would maintain a single interface for producers, who would continue to register and make payments through existing national schemes.

The principal strength of this approach is its operational continuity. PROs already have established systems for fee collection, reporting and compliance, and are therefore well placed to incorporate an additional funding stream without duplicating administrative processes. This reduces the burden on producers and avoids the need to create new collection infrastructure. It also aligns with the current design of textile EPR under the WFD, where collective systems are expected to play a central role in financial management.

However, PRO capacity and governance structures vary significantly across Member States, reflecting differences in scheme maturity, regulatory oversight and organisational capability. This creates a risk of inconsistent implementation of collection of Global EPR contributions, potentially undermining a level playing field and complicating coordination at EU level. Harmonisation or at least guidance would be needed to ensure consistency in how fees are calculated, ringfenced and reported.

5.1.1.2 National competent authorities

An alternative option for the collection of fees from EU producers would be through the national competent authority of the country in which the textile product was originally placed on the market, such as an environmental or waste authority. This option would potentially bring stronger public oversight, particularly in Member States where PRO capacity is low. This approach may also facilitate alignment with broader national fiscal and environmental policy instruments, including existing systems for tax collection, reporting and compliance.

However, national competent authorities themselves are typically not involved in fee collection under EPR (with the exception of a small number of state-run systems for packaging). Therefore, this may introduce additional administrative complexity, particularly where systems need to be developed or adapted, and fragmented coordination between central governments and competent authorities may result in a slower collection of funds. This option also presents a risk of politicisation.

5.1.1.3 EU-level central fund or coordinating body

A third option for the collection of producer fees is the establishment of an EU-level entity, such as a dedicated central fund or coordinating body. This entity could collect fees directly from producers, thereby reflecting the structure of multinational textile supply chains, in which producers operate across multiple markets and may benefit from a single, consistent system for Global EPR contributions. In

addition, collection at the EU-level would align with global funding transfer mechanisms (see Section 5.1.2), thereby streamlining both collection and transfer of funds.

However, no mechanism currently exists for producers to make payments directly to an EU-managed fund. The creation of such an entity would therefore entail additional administrative complexity, which could delay implementation timelines or even dampen appetite for a Global EPR system. Conversely, a newly established EU-level entity could be designed explicitly in accordance with Global EPR principles, enabling efficiencies and harmonisation that would not be feasible with existing institutional arrangements, such as national authorities, that are not necessarily equipped to collect producer payments. Importantly, the duties of an EU-level body should remain fully aligned with Global EPR principles, such that fee administration and collection occur within the EU, while the distribution of those fees in importing countries is handled by those actors themselves.

Furthermore, an EU-level model could serve as a scalable template for other regions that may introduce EPR schemes for textiles, particularly in countries that are currently significant exporters of second-hand clothing. Over time, such a system could evolve into the foundation of a more comprehensive international framework, enabling additional jurisdictions to participate in, and align with, a coordinated Global EPR mechanism.

5.1.2 Transfer of fees

The transfer stage concerns how funds move from EU-based systems to importing countries or intermediary actors. The key challenge at this stage is balancing coordination with administrative feasibility.

5.1.2.1 EU-level central fund or coordinating body

As already discussed, an EU-level entity could either collect fees directly from producers, or pool ringfenced funding from national PROs or competent authorities. EU funding destined for non-EU countries is currently centrally managed by the European Commission, specifically through various EU bodies and mechanisms, including:

- **European Commission Directorates-General for International Partnerships (DG INTPA):** facilitates the transfer of funds from EU countries to non-EU countries primarily through financing agreements in which the partner country may become the direct recipient of funds (budget support) or it (or any entity designated by the partner country) may be involved in the implementation of the funds (indirect management).⁴¹
- **Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI – Global Europe):** facilitates the transfer of funds from EU countries to non-EU countries, primarily using geographic (tailored funds for specific regions) and thematic (funds allocated for global issues) grants and the European Fund for Sustainable Development (EFSD+) to unlock investments in third countries.⁴²
- **Indirect management funds:** Indirect management funds are partly or fully implemented by third parties, such as national authorities or international organisations.⁴³

These mechanisms are all designed to contribute to European Union objectives, including its circular economy ambitions. Whilst any combination of these established bodies and/or funds could be utilised to pool and manage producer fees, there is a risk of conflict between the mechanisms of a “Global EPR”

⁴¹ European Commission, n.d. Procedures for partner countries. Available at: [Link](#)

⁴² European Commission, n.d. Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI – Global Europe). Available at: [Link](#)

⁴³ European Union, n.d. European Union funding, grants and subsidies. Available at: [Link](#)

system and the legal and financial requirements of these existing mechanisms (see section 5.5). Therefore, a new EU-level central fund or coordinating body could be designed and implemented to facilitate the transfer of fees in line with the principles of Global EPR.

By facilitating the transfer of fees at the regional level, fees may be disbursed to third countries more efficiently than if they were disbursed by each Member State, thus minimising administrative effort. This would also permit a more coordinated and strategic approach to Global EPR.

A key challenge associated with pooling funds at the EU-level relates to stakeholder concerns regarding the allocation of responsibilities and the delineation of accountability between an EU-level body and national EPR schemes. In particular, importing country stakeholders maintain reservations about where decision-making authority is held and how oversight is exercised. EU Member State stakeholders may have concerns around how interactions between national EPR systems and a centralised mechanism would be coordinated in practice.

To combat these challenges, governance of the central fund should be inclusive of the perspectives of both EU countries and non-EU importing countries (see discussion in Section 5.1.4). In the context of fee transfers, limiting the responsibilities of an EU fund to a strictly 'enabling' mechanism, rather than a regulator, would mitigate risks around the decision-making responsibilities of a Global EPR fund. Regulatory authority at the EU-level would therefore be restricted to assurance of collection and transfers, rather than allocation and disbursement, of fees.

5.1.3 Allocation of fees

At the allocation stage, the focus shifts from actors involved in collecting and transferring fees, and toward decision-makers responsible for distributing Global EPR funds within importing countries. This section focuses on the role of various actors in the allocation of fees to specific actors, whilst the specificities of how allocation decisions could be made at the global level are discussed in Section 5.3.

5.1.3.1 National ministries or public environmental funds

A potential option for the administration of funds by importing countries, is national ministries or public environmental funds. In this scenario, national bodies in importing countries would receive funding from the EU actor and hold the responsibility for managing and overseeing EPR fee allocation to specific projects or actors within the country.

National bodies work in the public interest, which would, in theory, enable the allocation of fees to activities that are relevant to the country's requirements and wider textiles circularity objectives. The administration of funding at the national importing-country level would also ensure that control and decision-making remain outside of the EU, aligning with the objective of Global EPR to shift territorial logic away from EU-centric decision-making. An additional benefit of utilising national bodies is that similarly to their European counterparts, public bodies in importing countries are already set up for transboundary transfers of funding. Therefore, where fees are collected by authorities at the national or EU -level in the EU, the transfer of fees could be mobilised through already established mechanisms, such as dedicated environmental or international development funds. Utilising existing bodies also reduces the burden of establishing new dedicated bodies in importing countries, particularly where public spending is limited.

A key risk of this option is around delays, lack of public trust and potential misallocation of funds. These risks are heightened in contexts with weak or developing governance systems. Therefore, strong data, audit and assurance requirements may be required to mitigate this risk (see section 5.4). Simultaneously, stakeholders emphasised the risk that demanding audit requirements may delay or inhibit progress in importing countries, particularly where funding is allocated to the informal sector where activities are dispersed across a large number of individual actors.

Directing funds to government entities also risks slowing down the development of PROs (see Section 5.1.3.3). This option should therefore be seen as an intermediate step, with the end goal of establishing a national PRO to manage the allocation of fees in importing countries.

5.1.3.2 Local authorities or municipalities

An alternative, or complementary, option is to integrate local authorities or municipalities into the fee allocation process. In this scenario, local bodies would receive funds either directly from the responsible EU body, or indirectly through national bodies. Local authorities have a closer proximity to the challenges arising from waste exports and so can add significant value to the decision-making process around fund allocation. In particular, local authorities offer a more localised approach, enabling a balanced approach to financial requirements versus environmental outcomes.

However, a key constraint for local authorities is capacity, particularly in less developed countries where local bodies are typically under-resourced. Mitigations against this constraint could include allocating a portion of the fees to support the development of local authority textile waste management capacity and is discussed in further detail in section 5.3.

5.1.3.3 Importing-country PROs (where they exist)

In alignment with current EPR logic, importing-country PROs (where they exist) present a viable option for the allocation of Global EPR funds. As with EU PROs, these bodies already have the capabilities to collect and allocate EPR fees for textile waste management activities. Where operational, they are likely to have institutional familiarity with fee administration, stakeholder coordination and the allocation of funding across collection, sorting, reuse and end-of-life management activities.

The key strength of this option is therefore its alignment with existing EPR frameworks. It avoids creating parallel institutional structures and allows Global EPR funding to be integrated into systems that in principle already reflect national textile waste management priorities. In countries where textiles EPR schemes are emerging, the availability of international funding could also accelerate system development, for example by supporting early-stage investment in governance, data systems or operational capacity. Kenya, for example, is in the process of establishing a textiles EPR framework which proposes the inclusion of importers of second-hand clothing within the scope of obligation, thereby creating a potential entry point for coordinating domestic and international financing streams.⁴⁴

A consideration of this option relates to the relationship between existing or emerging national EPR systems and Global EPR funding. Domestic EPR schemes, where they exist, should remain distinct from any international transfer mechanism. In particular, national EPR fees (those paid by domestic producers or importers) should not be conflated with, substituted by or diluted through Global EPR transfers, which are intended specifically to address the transboundary externalisation of costs associated with EU-origin textiles. Maintaining this separation is important to preserve the integrity of national systems and avoid unintended cross-subsidisation between domestic and imported product streams.

It should also be noted that this approach may create complexity in jurisdictions where second-hand importers are themselves brought within the scope of national EPR obligations, as is currently envisaged in Kenya. In such cases, importers of used textiles could be required to pay domestic EPR fees while Global EPR contributions are simultaneously channelled into the same system to address upstream impacts linked to exports from the EU. Without careful design, this could result in perceived or actual double payment for the same material flows, potentially undermining stakeholder acceptance and creating distortions between domestic and imported product streams. Clear delineation of cost responsibilities, alongside transparent accounting of how Global EPR funds complement rather than substitute domestic

⁴⁴ CEJAD Kenya, 2025. Extended producer responsibility regulations, 2024. Available at: [Link](#)

contributions, will therefore be essential to avoid overlap and ensure coherence between national and international EPR mechanisms.

At the same time, it is important to recognise that the effectiveness of PRO-based approaches is contingent on the performance and governance of the PROs themselves. While such organisations benefit from established structures, they have also been subject to criticism in some contexts for limited inclusiveness,⁴⁵ relatively low fee levels⁴⁶ and insufficient investment into activities such as reuse and repair.⁴⁷ As a result, the suitability of PROs as channels for Global EPR funding depends not only on their establishment, but also on how operationally robust and transparent they are in advancing the principles of Global EPR.

Moreover, coverage of such bodies across major importing countries remains highly uneven. In many key destinations for EU used textile exports, textile-specific PRO structures are either absent or at an early stage of development, with waste management functions currently distributed across a combination of municipal authorities, private operators and informal sector actors. This limits the immediate applicability of a PRO-based model as a universal solution and reliance on this option alone would leave significant gaps in geographic coverage. Therefore, national competent authorities, specifically municipal waste management authorities, could take this role in the absence of a national PRO (see Section 5.1.3.1). In contexts where such bodies are still emerging, Global EPR funding could also support the development of PROs, although this would need to be balanced against the risk of creating overly complex institutional arrangements in the early stages of national EPR implementation.

5.1.3.4 Regional administrative bodies or “regional PROs”

Regional administrative bodies or “regional PROs” could also play a role, either as a substitute or a complementary supporting body to national-level entities. In regions where textile trade flows, reuse markets and waste management challenges cross borders, a regional entity could help coordinate funding and address transboundary issues such as re-export flows. It could also support pooling of expertise, resources and infrastructure across neighbouring countries. However, the effectiveness of this model depends on clear governance structures and alignment with national authorities. Without this, there is a risk of disconnect between regional allocation decisions and national priorities.

5.1.3.5 Accredited NGOs or international organisations

An alternative approach is to channel Global EPR funding through NGOs, international organisations or regional administrative bodies. The primary strength of this option lies in its operational flexibility and established presence in many importing countries. International organisations and NGOs often have experience managing cross-border funding and working across formal and informal waste management systems. This makes them particularly well suited to contexts where governance structures are fragmented and/or significant activity occurs outside formal regulatory systems. In many importing countries, informal actors play a central role in extending product lifetimes and managing end-of-life textiles. NGOs and international organisations experienced in working with local actors are often better positioned than state institutions to engage with these actors and to design funding mechanisms that reflect existing practices on the ground.

At the same time, reliance on third-party organisations raises important governance considerations. Whilst NGOs and international bodies may offer strong delivery capacity, they do not inherently carry a public mandate to allocate funds on behalf of national systems. There is therefore a risk that outsourcing management of the funding could weaken accountability to importing-country stakeholders or create parallel governance structures that sit outside national policy frameworks. For this reason, strong

⁴⁵ ECESP, 2025. Revision of the waste framework directive: enhancing textiles EPR schemes through inclusive governance. Available at: [Link](#)

⁴⁶ ZWE, 2025. Designing EPR to foster the EU's competitiveness and strategic autonomy. Available at: [Link](#)

⁴⁷ Repair, 2024. Reforming Extended Producer Responsibility to Promote Repair. Available at: [Link](#)

governance models, combining public oversight with third-party implementation should be ensured (see Section 5.4).

In practice, this option offers a high degree of flexibility and may be particularly suitable in the early stages of Global EPR implementation, when institutional landscapes vary significantly across importing countries. Its effectiveness would however depend on balancing adaptability and inclusivity with robust oversight and depth of local engagement.

5.1.4 Auditing and governance

The credibility and effectiveness of a Global EPR system depend not only on how funds are collected and deployed, but also on how the system itself is governed, monitored and key actors held accountable. Whilst the specific data, audit and assurance requirements will be discussed in detail in Section 5.4, the below section outlines the role of a global governance board.

5.1.4.1 Global governance board

A global governance board could serve as the central oversight body for Global EPR, responsible for setting strategic direction, monitoring performance and ensuring accountability across the system. This board would bring together representatives from EU institutions, importing-country governments, civil society and industry, creating a multi-stakeholder governance structure with shared decision-making. To avoid concentration of control, governance arrangements could include a dual-location model, with operational presence and engagement in both EU and importing-country regions.

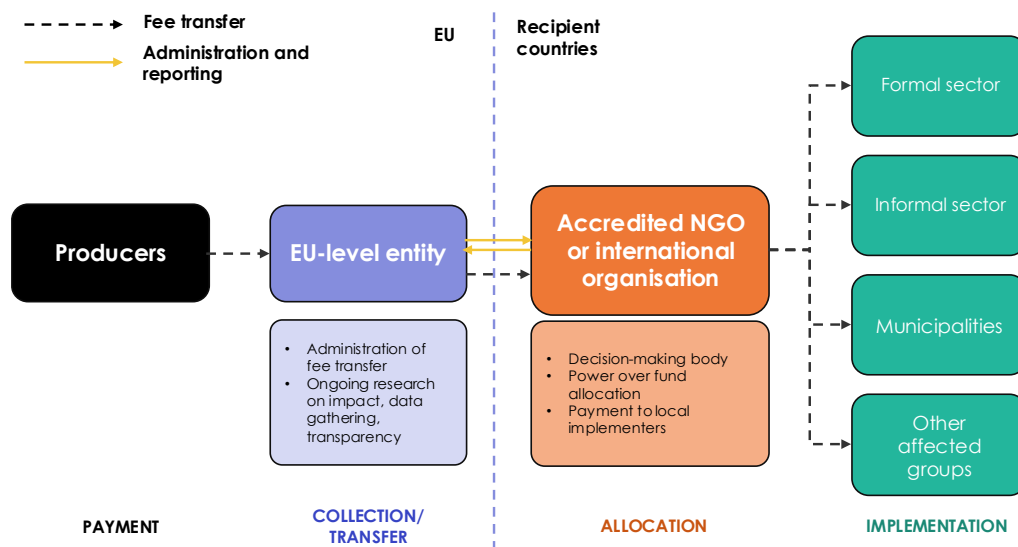
The board could also play a key role in defining reporting requirements, performance expectations and accountability frameworks, ensuring that financial flows and outcomes are monitored consistently across different actors and implementation contexts. The primary strength of this approach lies in its potential to deliver inclusive and balanced governance. By embedding representation from importing-country stakeholders alongside EU actors, it can address concerns around legitimacy and ownership, supporting a more globally representative model of oversight. The use of a central board also enables consistency in monitoring and reporting, helping to standardise expectations across different delivery models.

However, this model introduces institutional complexity, particularly in coordinating across a wide range of stakeholders with differing priorities and capacities. Decision-making processes may be slower, and clear governance rules would be required to balance inclusivity with efficiency. There is also the likely risk that, despite efforts to ensure representation, power dynamics may remain uneven in practice, particularly if operational or financial control sits with actors based in the EU. Maintaining meaningful participation from importing-country stakeholders would therefore be critical to the effectiveness of this model.

5.1.5 Illustrative transfer models

The following illustrative transfer models demonstrate how Global EPR funding could flow from EU-based systems to actors managing used textiles in importing countries. They are not intended as prescriptive designs, but as simplified representations of how different configurations of actors could interact in practice. Each model reflects a different balance between public oversight and third-party delivery, and EU-led versus importing-country-led governance. In practice, elements of these models may be combined or phased over time, depending on institutional readiness, data availability and stakeholder preferences.

Figure 5-1: Scenario 1 – EU-level entity / accredited intermediaries



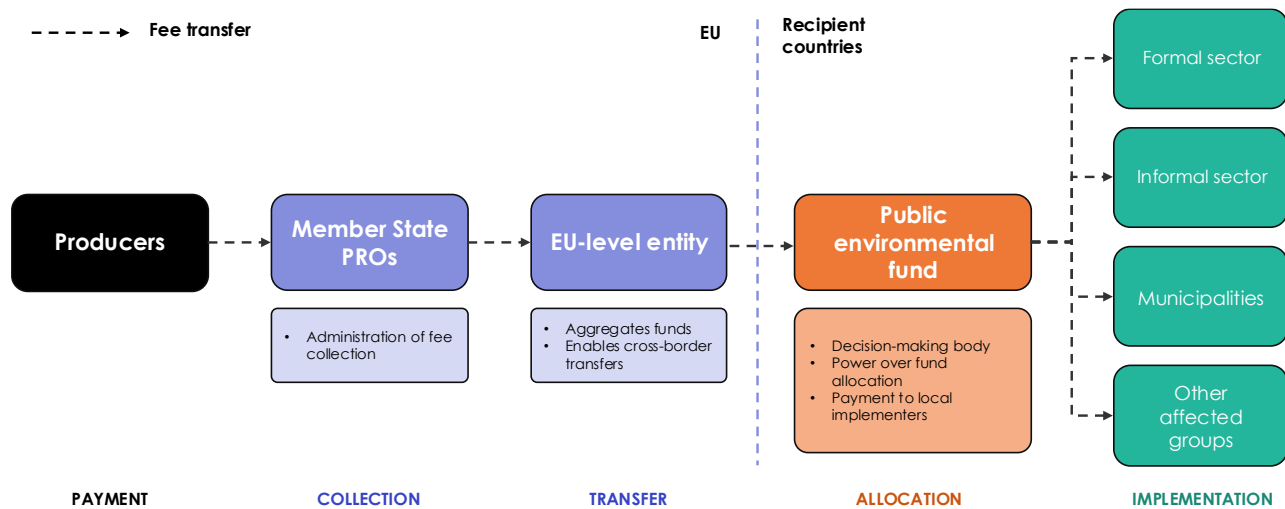
In this model, producers pay EPR fees directly to a central EU-level entity, which is responsible for administering cross-border fee transfers. This central body pools funds and coordinates their allocation according to agreed principles (e.g. export volumes, waste burden or capacity needs) (see Section 5.3).

From this central fund, resources are allocated to a network of accredited intermediaries, typically NGOs, international organisations or regional administrative bodies operating in local contexts across importing countries or regions. Accreditation would be based on predefined criteria, such as governance standards, delivery capacity and experience working within textile reuse and waste management systems.

These intermediaries are then responsible for managing the onward distribution of funds to local implementers, including municipalities, informal-sector organisations, social enterprises and private operators involved in sorting, reuse, repair, recycling or residual waste management. In this way, the model combines centralised fee collection and allocation with decentralised implementation at the local level.

This structure creates a coherent and harmonised funding mechanism at EU level, reducing fragmentation across Member States and aligning with the multinational nature of textile supply chains. At the same time, by delegating delivery to accredited organisations with established local presence, it allows funding to be deployed in ways that are responsive to local conditions and capable of engaging with informal or semi-formal systems. A key consideration for this model is ensuring that allocation decisions, while coordinated centrally, are informed by importing-country perspectives to avoid reinforcing an EU-centric approach to governance.

Figure 5-2: Scenario 2 – Member State PROs / EU-level entity / public environmental fund



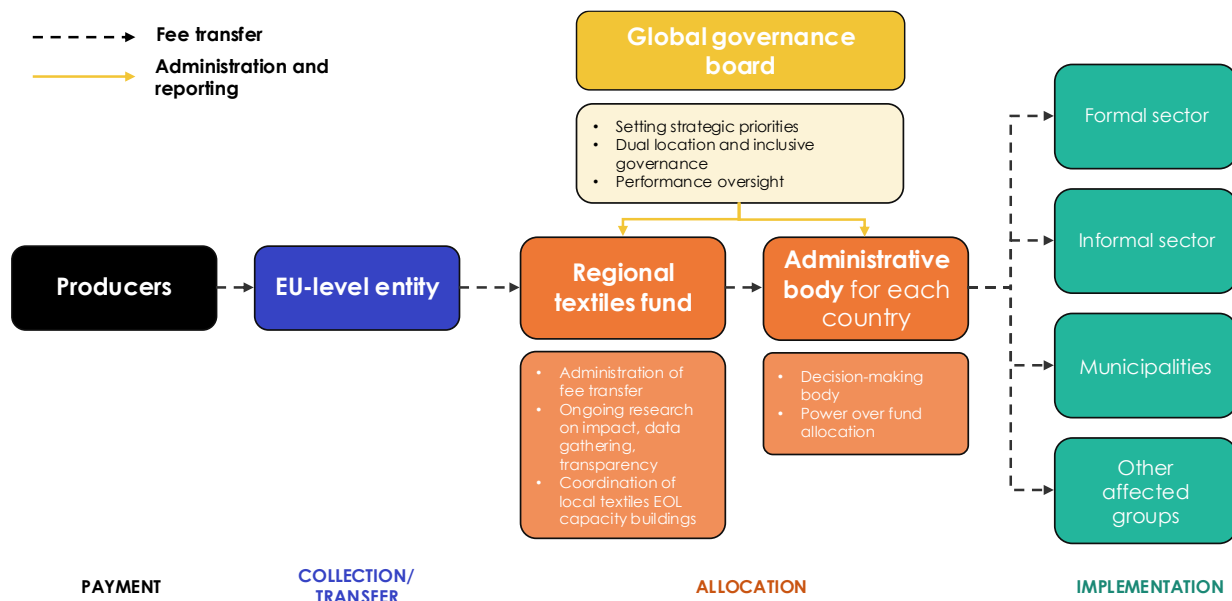
A second model builds on existing EPR architecture within Member States. Under this approach, national PROs collect and ringfence Global EPR contributions, which are then channelled through an EU-level entity. This entity aggregates funds, applies any agreed allocation formula (see Section 5.3), and transfers resources to a dedicated public environmental fund in importing countries.

This represents a more system-integrated model, retaining the central role of national PROs while introducing an additional coordination layer at EU level. The clearing mechanism helps to reduce fragmentation by standardising cross-border transfers and ensuring that funding is redistributed according to agreed principles (e.g. volume-based or needs-based allocation as discussed in Section 5.3), rather than through bilateral arrangements between individual PROs and importing countries.

At the importing-country end, the establishment of a dedicated public environmental fund provides a single focal point for managing incoming resources. This fund, potentially overseen by national authorities or sector bodies, would be responsible for allocating funding to projects and actors within the country.

The strength of this model lies in its continuity with existing systems, minimising disruption to current EPR arrangements while addressing the risk of fragmentation across Member States. It also creates a clearer institutional interface on both the EU and importing-country sides. At the same time, it introduces additional layers of administration, which may increase complexity and require clear delineation of roles between national PROs, the EU clearing body and importing-country fund managers. Its effectiveness would depend on robust coordination mechanisms and clarity on how responsibilities are shared across these levels.

Figure 5-3: Scenario 3 – Hybrid EU-importing country governance board with decentralised deployment



A third potential model centres on a joint governance structure, in which decision-making authority is shared between EU and importing-country representatives. Under this approach, funds, whether pooled at EU level or aggregated from national systems, are governed by a hybrid board, responsible for setting strategic priorities, approving allocation frameworks and overseeing performance.

Implementation, however, remains decentralised, with funds deployed through a range of delivery partners at national, regional and/or local level. These could include public authorities, PRO-like bodies, NGOs or private-sector operators, depending on the institutional context. In this configuration, funding may be channelled through regional funds, which act as operational hubs responsible for administering resources within specific geographies. These regional funds would manage disbursement to projects and implementing actors in partnership with local administrative bodies for each country, ensuring that funding is aligned with local realities and operational needs.

Crucially, stakeholders emphasised the need for allocation decisions at this level to be guided by input from municipal authorities, informal-sector representatives, market actors and civil society organisations, through a global governance board. This additional layer of governance is intended to ensure that funds are directed towards priority areas, reflecting nationally and locally identified needs rather than solely top-down criteria.

This model is best characterised as a co-governance approach, designed to address concerns around legitimacy and ownership in Global EPR systems. By embedding importing-country representation within decision-making structures, it seeks to move beyond an EU-centric model of fund allocation and towards a more balanced, globally representative system of governance. At the same time, decentralised deployment allows funding to remain responsive to local conditions and to support a diverse set of actors, including those operating within informal or semi-formal systems.

The key strength of this model lies in its potential to build trust, transparency and shared accountability, while ensuring that allocation decisions are informed by those more directly affected by textile waste management challenges. However, it also raises practical challenges, including how governance bodies at multiple levels are constituted, how decision-making authority is shared between EU and local, national and regional actors on the importing country side, and how to balance inclusivity with operational efficiency. Without clear governance rules, there is a risk of slower decision-making or institutional complexity. In particular, involving stakeholders from importing countries remains challenging, given practical barriers such as travel constraints and limited internet access. Therefore, to avoid

delaying progress in directing funding to these countries, this scenario should be treated as an aspirational model, to be achieved incrementally, beginning with either of the first two scenarios.

Taken together, these illustrative models demonstrate that there is no single pathway for structuring Global EPR transfers. Instead, the choice of model reflects broader trade-offs between harmonisation and flexibility, and simplicity and responsiveness to local conditions. In practice, a phased or hybrid approach may be most effective, combining elements of these models as governance, data quality and regulatory capacity evolve.

5.2 Determining the Magnitude of Fees

A separate design question is how large the Global EPR funding pool should be. In practice, this means deciding how much funding should be made available from EU textile EPR systems to support the management of EU-origin used textiles once they eventually become waste in importing countries.

Stakeholders highlighted that fee-setting for exported used textiles is both technically complex and politically sensitive. This is particularly the case where fees are intended to operate across jurisdictions with very different cost structures, labour markets, waste management systems, governance capacity and data availability.

This section considers two linked issues: first, **how the size of the funding pool could be determined**; and second, **what types of costs the pool should be expected to cover** in importing countries. This includes whether funding should be limited to direct end-of-life management costs or whether it should also support enabling activities such as data collection, local assessments, governance arrangements and capacity building.

The options discussed are intended to provide possible approaches, rather than a single recommended model. Each would require further analysis to ensure the funding level is proportionate, practical to administer, and sufficient to support meaningful improvements in importing-country waste management systems.

5.2.1 Fee calculation approaches

The first question is how the size of the Global EPR funding pool should be calculated. This means determining what share of EU textile EPR funding should be directed towards the management of EU-origin used textiles once they become waste outside the EU, and whether that contribution should be taken from existing EPR fee revenue or added as a separate fee component.

A key design issue is that Global EPR funding should not undermine the ability of EU EPR schemes to meet domestic obligations. Textile EPR fees will still be needed to fund collection, sorting, reuse, recycling, communication, administration and treatment costs within the EU. For this reason, any Global EPR contribution would need to be carefully designed to avoid reducing the funding available for domestic EPR implementation while also avoiding disproportionate additional costs for producers.

At a simplified level, the Global EPR funding pool could be calculated as follows:

$$\text{Global EPR funding pool} = \text{eligible textile volumes} \times \text{Global EPR fee rate}$$

The contribution rate could then be determined in different ways, including through cost/risk-based fees, volume-based fees, fixed or percentage-based contributions or incentive-aligned fees. However, before selecting a fee calculation approach, policymakers would need to decide the basis on which the contribution is calculated across the EU: whether it should be calculated at EU level or Member State level. This is distinct from the question of where fees should be collected, held and transferred, which is

discussed in Section 5.1.1, the focus here is on how the fee burden should be calculated within EU textile EPR systems.

In all of the options presented below, the level of funding mobilised will be critical. If the objective of a Global EPR mechanism is to close real funding gaps in importing countries, the contribution required is likely to be significant. While this report does not recommend a specific fee level, it should be recognised that small annual transfers are unlikely to be sufficient to address the scale of need. Each fee-setting option should therefore be assessed not only in terms of simplicity, feasibility and fairness, but also in terms of whether it can generate funding at a level that is proportionate to the costs and impacts experienced in importing countries.

Some work has already explored in greater detail how a Global EPR contribution methodology could be structured. For example, the Or Foundation has proposed tiered allocation mechanisms, where funds are allocated across different actors and activities in the post-use textiles value chain using defined percentage allocations.⁴⁸ However, this report does not seek to assess or recommend one detailed allocation methodology. Instead, it focuses on the broader design choices needed to be resolved before selecting or adapting a specific fee calculation model.

5.2.1.1 EU-wide or Member State-level fee calculation

Before determining the magnitude of the Global EPR fee contribution, a key design question is the basis on which the fee amount should be calculated across EU textile EPR systems. This applies across all fee-setting approaches discussed in the subsequent sections. This involves considering whether the magnitude of fees should apply harmoniously across all EU countries, or reflect specific market-conditions where one EU country may export much more than others.

One option would be to **calculate the contribution on an EU-wide basis**. Under this approach, the total volume of EU-origin textiles exported for reuse outside the EU would be assessed collectively, and a common contribution would be applied across participating textile EPR schemes based on the volumes of new clothing placed on the market in each. This would be the simplest approach and would support harmonisation across Member States. It would also avoid penalising Member States that act as sorting, consolidation or re-export hubs for used textiles collected elsewhere in the EU. For example, countries such as the Netherlands receive significant volumes of used textiles from other EU countries for sorting and onward export. A purely country-by-country model could therefore overstate the responsibility of the exporting hub, rather than the Member States where the products were originally placed on the market.

However, an EU-wide approach also has limitations. It could mean that Member States with very low levels of extra-EU used textile exports contribute at the same rate as Member States whose systems rely more heavily on export-for-reuse markets. This may be seen as less directly linked to national material flows and could reduce the incentive for Member States to improve domestic reuse, recycling and end-of-life management capacity.

An alternative would be to **calculate contributions at Member State level**, based on the volume of used textiles exported for reuse from each country. This would create a closer link between national export flows and financial responsibility. However, it would require reliable data on exports by Member State and would need to account for intra-EU movement of used textiles before export. Without this adjustment, Member States that perform sorting or aggregation functions for the wider EU market could be disproportionately charged.

Given these trade-offs, the simplest starting point may be an EU-wide placed-on-market approach, where the Global EPR contribution is applied consistently across textile EPR schemes based on the volume of new textiles placed on the market. More differentiated adjustments, for example to reflect

⁴⁸ The Or Foundation (2023) Stop waste colonialism! Leveraging Extended Producer Responsibility to Catalyze a Justice-led Circular Textiles Economy. Available at: [Link](#)

Member State export intensity, could be explored later if data quality improves and if there is a policy need to link contributions more closely to national export patterns. In future, the Digital Product Passport may provide a useful data source for refining Global EPR fee calculations. Under the ESPR framework, products subject to product-specific eco-design measures will be required to have a Digital Product Passport, with the relevant data fields to be defined in delegated acts. Textiles are expected to be a priority sector, but the usefulness of DPP data for Global EPR will depend on the final textile-specific requirements, including what information is recorded and who can access it.⁴⁹

5.2.1.2 Cost / risk-based contribution

A cost/risk-based approach would determine the magnitude of the Global EPR funding pool by estimating the downstream cost of managing EU-origin used textiles once they eventually become waste in importing countries. The costs included in this calculation would depend on the agreed scope of Global EPR cost coverage, discussed in Section 5.2.2. This approach aligns with the polluter pays principle underpinning EPR. The revised WFD requires Member States to ensure that producers cover the costs of managing used and waste textile products placed on the market, including collection, transport, sorting, preparing for re-use, recycling, other recovery operations and disposal. A Global EPR contribution would extend this logic to EU-origin used textiles that are exported for reuse, but whose eventual end-of-life management costs arise in importing countries rather than within the EU.

In the interim, the volume of used textiles exported for reuse could be estimated using existing trade data, particularly under HS 6309, covering worn clothing and other worn textile articles. However, once the revised WFD requirements are implemented, Article 22c (18a) will require PROs to publish information on the rate of exports of used textile products. This could provide a more robust and scheme-specific data source for Global EPR tracking and compliance, helping to link fee calculations to the actual share of collected textiles exported for reuse outside the EU.

A simplified calculation could be structured as follows:

Global EPR funding pool = EU origin textiles exported for reuse x estimated recipient country waste management cost per tonne x cost coverage rate x risk factor

The key inputs would include:

- The tonnes of EU-origin used textiles exported for reuse
- An estimated cost per tonne for managing those textiles once they become waste in importing countries, based on the agreed scope of Global EPR cost coverage.
- The proportion of those costs that the EPR system is intended to cover; and
- Any risk factor reflecting uncertainty, unmanaged disposal risks or weak waste infrastructure

For example, if 100,000 tonnes of EU-origin used textiles were exported for reuse, and the estimated average cost of managing those textiles at end-of-life in importing countries was €150 per tonne, the total estimated cost exposure would be €15 million. If policymakers decided that the mechanism should

⁴⁹ European Parliament, 2024. Digital product passport for the textile sector. Available at: [Link](#)

initially cover 50% of this estimated cost, the required Global EPR funding pool would be €7.5 million before any additional risk adjustment.

The amount could then be compared with the total EU textile EPR fee revenue to determine the required contribution. For example:

$$\text{Global EPR contribution percentage} = \text{required Global EPR funding pool} / \text{total textile EPR fee revenue}$$

If a textile EPR scheme collected €100 million in annual producer fees, and the required Global EPR funding pool was €7.5 million, the Global EPR contribution would be equivalent to 7.5% of total fee revenue.

However, an important design question is whether this amount should be carved out of existing EPR fees or added as a separate top-up. If it is carved out of existing fees, there is a risk that less funding remains available for domestic EU obligations. To avoid weakening EU-side implementation, the Global EPR component could instead be calculated as an additional fee.

The main benefit of this approach is that it provides a clear rationale for the overall size of the funding pool. It links the contribution to the estimated cost of managing EU-origin textiles outside the EU. It also creates a basis for increasing or decreasing the contribution over time as better evidence becomes available on exported volumes, importing-country costs and waste management risks.

Limitations

Stakeholders noted that this approach is theoretically robust but practically contested. Even within single-country EPR schemes, there are often disputes over what constitutes a legitimate end-of-life cost. Applying this internationally would add further complexity, including limited or unreliable cost data in many importing countries and difficulty comparing costs across very different market conditions.

However, other research has suggested that a cost-based approach could be made more practical by focusing on a narrower and more measurable cost base. For example, rather than attempting to estimate the full cost of textile waste management across an entire country, costs could be assessed within specific reuse markets or value chains, such as the operating cost per garment handled in major second-hand clothing markets. This could include costs borne by traders, sorters, repairers, market operators and waste actors in handling imported used textiles, including unsold or residual fractions.⁵⁰

For this reason, a cost/risk-based approach may be more appropriate as a longer-term direction, or as a benchmark for testing whether simpler contribution methods are likely to generate sufficient funding. If used, the methodology would need to be clearly defined, developed with importing-country actors, and limited to the agreed scope of Global EPR cost coverage, rather than attempting to capture all waste management costs more broadly.

⁵⁰ The OR Foundation, 2023. Stop Waste Colonialism. Available at: [Link](#)

5.2.1.3 Volume or tonnage-based fees

A volume or tonnage-based approach would determine the size of the Global EPR funding pool by applying a fixed per-tonne contribution rate to the quantity of textiles in scope. This could be based on the tonnes of used textiles exported for reuse outside the EU, or on the tonnes of new textiles placed on the EU market, with an adjustment for the expected share that is ultimately exported for reuse.

This approach would be simpler than a cost/risk-based model. Rather than estimating the full waste management costs that will arise in importing countries, the mechanism would set a standard contribution per tonne. This would create a predictable funding stream and would be relatively easy for producers, PROs and public authorities to administer.

There are a few main ways this could be calculated.

The first option would be to apply a fee to the tonnes of used textiles exported for reuse outside the EU:

Global EPR funding pool = tonnes of used textiles exported for reuse outside the EU x fixed contribution per tonne

For example, if 100,000 tonnes of used textiles were exported for reuse outside the EU and the contribution was set at €50 per tonne, the Global EPR funding pool would be €5 million.

The second option would be to apply the contribution to textiles placed on the EU market, using an assumed export-for-reuse share:

Global EPR funding pool per tonne placed on market = expected export-for-reuse share x target contribution per exported tonne

For example, if 10% of textiles placed on the EU market are expected to be exported for reuse, and the desired Global EPR contribution is €50 per exported tonne, this would translate into a €5 contribution per tonne placed on the market. If 500,000 tonnes of textiles were placed on the market, this would generate a €2.5 million funding pool.

This approach could also be phased in over time. For example, the contribution could begin at a relatively low level, such as €25–€50 per tonne of exported used textiles, while data systems, governance arrangements and importing-country funding channels are established. It could then increase over time as better evidence becomes available on export volumes, importing-country waste management costs and the adequacy of the funding pool.

Stakeholders generally viewed this approach as simpler, more transparent and easier to implement, particularly where customs or trade data is available. It would create a predictable funding stream and avoid the need to estimate full importing country waste management costs before implementation. It would also be easier to update periodically, for example annually, as export volumes or placed-on-market volumes change.

Limitations

However, a purely volume or tonnage-based contribution may underfund real needs, especially where importing countries require large upfront investment to establish collection, sorting, recycling, treatment, data or governance systems. It also treats all exported used textiles as if they create the same

downstream cost, regardless of quality, reuse value or local waste management context. A further limitation is that this approach does not, by itself, create strong incentives to reduce the future burden of exported textiles. Unless combined with eco-modulation or quality-based adjustments, low-quality, difficult-to-recycle or short-lived textiles would pay the same contribution per tonne as higher-quality durable textiles.

Separately, if the Global EPR contribution is applied as an additional fee rather than carved out of existing EPR revenues, it would increase the total fee burden on producers. This may be necessary to avoid reducing the funds available for domestic EU collection, sorting, reuse and recycling obligations, but it could be contested by producers, particularly if the fee is not clearly linked to evidenced downstream costs. A volume-based approach may therefore be easier to administer but still requires a clear rationale for why producers are being asked to pay more, how the fee level has been set, and how the additional revenue will be used.

5.2.1.4 Fixed or percentage-based contribution

A fixed or percentage-based contribution would determine the size of the Global EPR funding pool by applying a standard percentage increase to producer fees, or by ring-fencing a defined percentage of total EPR fee revenue. For example, textile EPR fees could be increased by 2%, 5% or another agreed percentage, with the additional revenue allocated to a global EPR pool for importing-country waste management.

A simplified calculation could be:

Global EPR funding pool = total textile EPR fee revenue x agreed Global EPR contribution percentage

The first option would be to add the Global EPR contribution percentage on top of existing EPR fees. For example, if EU textile EPR schemes collected €100 million in annual producer fees and a 5% top-up were applied, producers would pay an additional €5 million into the Global EPR pool. This would increase the total amount paid by producers to €105 million, while preserving the existing €100 million for domestic EU EPR obligations.

The second option would involve taking from existing EPR fee revenue. For example, if a scheme collected €100 million and 5% were ringfenced for the Global EPR pool, €5 million would be allocated internationally, leaving €95 million for domestic EU obligations.

The first option is likely to be more appropriate to avoid reducing funding available for domestic EU textile EPR systems. However, it would increase the total cost to producers, so the rationale and rate for the additional contribution would need to be clearly justified.

This option may be the most practical starting point under current uncertainty. It requires less data than a cost/risk-based contribution and does not require detailed importing country assessments before implementation. It would allow a funding stream to be established quickly, while more detailed evidence is gathered on the actual costs, infrastructure gaps and governance needs in importing countries.

The contribution could also be designed to ramp up over time. For example, the mechanism could begin with a low percentage, such as 1-2%, while governance structures and importing-country assessment processes are established. It could then increase to 5% or more as the evidence base improves and funding needs become clearer. The percentage could be reassessed annually to reflect changes in EPR fee revenue, export volumes, importing-country needs and the effectiveness of the funding mechanism. However, any ramp-up approach should be designed with the overall scale of need in mind. While a

lower contribution may help establish the mechanism, fee levels should ultimately be high enough to close meaningful funding gaps.

Limitations

The main limitation is that the percentage selected may be somewhat arbitrary, particularly in the early years. A percentage contribution may be administratively simple, but it may not correspond to the actual cost of managing EU-origin used textiles once they become waste in importing countries. If the percentage is set too low, the pool may be insufficient to address meaningful waste management needs.

This approach may also face pushback from producers, especially if the contribution is applied as an additional top-up to existing EPR fees. Producers may argue that they already fund domestic EU obligations and have limited control over whether collected textiles are reused domestically, exported within the EU, or exported to third countries. This concern would need to be addressed by clearly framing the contribution as a scheme-level mechanism to extend EPR cost coverage, rather than as a producer-level charge linked to individual export decisions.

To manage these risks, a fixed or percentage-based contribution could be introduced at a low level, reviewed annually, and adjusted as better evidence becomes available on export flows, importing-country costs, infrastructure needs and the effectiveness of funded activities.

5.2.1.5 Incentive-aligned contribution

Stakeholders also emphasised that fees should serve two purposes: recovering costs linked to downstream impacts, and creating behavioural incentives to reduce those impacts over time. An incentive-aligned approach would therefore link Global EPR contributions to product characteristics that influence durability, reuse value, repairability, recyclability and eventual waste outcomes.

In practice, this could be linked to eco-modulation. Products that are more durable, repairable, reusable, recyclable or easier to sort could pay a lower Global EPR fee contribution, while products that are lower quality, less durable, difficult to recycle, or more likely to become a burden in second-hand markets could pay a higher contribution.

This approach could also be used to address concerns around overproduction and low-value textiles. For example, higher contributions could be applied to product categories associated with high volumes, short use phases, low resale value or higher likelihood of becoming unmanaged waste after export for reuse. This would help ensure that producers placing larger volumes of lower-quality textiles on the market make a greater contribution to the downstream costs those products may create.

In reality, this may be difficult to apply as a separate modulation approach for the Global EPR component alone. The more likely route would be for the Global EPR contribution to be added to the main textile EPR fee, with existing eco-modulation criteria then applied to the overall fee. This would allow the cross-border contribution to remain aligned with wider EPR incentives, without requiring a separate modulation system specifically for exported used textiles.

Alternatively, the Global EPR contribution could be treated as a separate additional fee element to which eco-modulation does not initially apply. This would be simpler to implement in the short term, particularly while data on the relationship between product characteristics and downstream impacts in importing countries remains limited. Over time, if stronger evidence becomes available, the cross-border component could be brought more explicitly into eco-modulation frameworks.

There are several possible ways this could be phased in:

- Phase 1: apply a simple fixed or percentage-based cross border contribution to establish the funding pool, applied in the same way across all Member States.

- Phase 2: introduce basic eco-modulation using criteria already included in EU or national EPR schemes, such as durability, repairability, composition or recyclability
- Phase 3: refine the modulation factors using evidence from importing countries on which textile categories create the greatest waste management burden

This approach could also be linked to the emerging framework for distinguishing used textiles from textile waste. Under the revised WFD, separately collected textiles must undergo sorting before shipment, helping to ensure that waste is not falsely exported as reusable material. Over time, the evolving end-of-waste or reuse criteria could provide a useful evidence base for incentive-aligned fees by requiring certain quality characteristics to be assessed and recorded before export.

For example, sorters or exporters could be required to record information on the quality, composition and reuse suitability of exported used textiles, such as product category, fibre composition, condition grade, repairability, recyclability, contamination level or expected reuse value. This information could then help identify which product types are more likely to retain value in importing-country reuse markets and which are more likely to create higher downstream management burdens.

The main benefit of an incentive-aligned approach is that it avoids treating Global EPR contributions purely as a funding mechanism. Instead, it would also support upstream change by encouraging better product design, higher quality, longer product lifetimes and reduced reliance on high-volume, low-value textiles.

Limitations

The main challenge is complexity. Incentive-aligned fees would require clear criteria, reliable product-level data and a defensible link between product characteristics and downstream waste burdens in importing countries. This may be difficult in the early stages, particularly where there is limited evidence on which products are most likely to become problematic after export for reuse.

There is also a risk of overlap or double counting with existing eco-modulation requirements under national textile EPR schemes. If producers are already paying higher or lower fees based on durability, repairability or recyclability, policymakers would need to decide whether the Global EPR component uses the same criteria, adds additional criteria, or applies only to the international share of the fee.

A further challenge is consistency across Member States. To be fair and avoid market distortions, eco-modulation criteria for the Global EPR contribution would likely need to be applied consistently across participating textile EPR schemes. Otherwise, producers could face different fee treatment depending on where products are placed on the market, even where the products create similar downstream risks.

For this reason, incentive-aligned fees may be better introduced over time rather than from the outset. A simpler contribution could establish the funding mechanism first, while EU-level guidance and evidence from importing-country assessments are used to develop more harmonised and targeted modulation criteria in later phases.

5.2.2 Scope of cost coverage

A further design question is what those funds should be used for. Global EPR funding must translate into concrete activities that manage textile flows, reduce environmental impacts and support existing systems in importing countries. The scope of activities covered is central to determining both the effectiveness of the mechanism and its alignment with established EPR principles under the WRF (See Section 4.0).

In principle the scope of cost coverage could either mirror those already recognised within the WFD framework or be adjusted or expanded to additional activities that reflect the realities of global textile flows and importing-country contexts.

Option 1: Replicate activities in scope of the WFD

Global EPR funding could support activities that mirror existing cost coverage under EU textile EPR schemes. As outlined in Section 4.0, this includes the collection, transport, sorting, preparation for reuse, recycling and disposal of textiles, including the management of residual waste fractions where higher-value recovery options are not feasible. In importing countries, this could translate into funding for both formal and informal actors engaged in these core activities, such as municipal collection systems, sorting operations, recycling facilities and other controlled disposal infrastructure. It could also include support for logistical functions, such as transport between processing stages, and for basic operational costs required to maintain these systems.

Anchoring Global EPR funding within WFD-defined activities provides a clear legal and conceptual basis, ensuring consistency with existing EPR principles. It reinforces the polluter pays principle by directly linking producer contributions to end-of-life management functions and facilitates comparability between EU and non-EU cost coverage. This approach also supports auditable and measurable outcomes, as activities such as collection and recycling can be more readily monitored and reported within existing frameworks.

However, limiting funding strictly to WFD-aligned activities may not fully reflect the realities of importing-country systems. A narrow interpretation of eligible costs, based only on EU-defined collection and treatment activities, could create a top-down model that leaves limited space for recipient countries to identify which interventions are most relevant in their own context. In many cases, formal waste management infrastructure may be incomplete or absent, and significant activity may occur through informal or semi-formal systems. Funding may therefore need to support enabling activities, such as collection system development, sorting capacity, data systems, training, institutional coordination or gradual formalisation, where these are necessary to improve end-of-life textile management.

This would be particularly important where importing countries already have, or are developing, their own EPR schemes or waste policy frameworks. In these cases, Global EPR cost coverage should be designed to complement local definitions of eligible costs and avoid duplicating, undermining or conflicting with domestic systems. The WFD could provide a useful reference point for the types of costs that may be covered, but the final scope of funding should be tested with importing-country actors and adapted to local legal, institutional and waste management conditions.

Option 2: Additional activities currently not covered by the WFD

To reflect the specific conditions of global textile flows, Global EPR funding may also need to support a broader set of activities that extend beyond the current scope of the WFD. These include activities that enable, sustain or improve textile management systems, particularly in contexts where infrastructure and governance are underdeveloped.

This may include:

- Infrastructure development, including collection points, sorting facilities and basic recycling capacity and more secure working conditions;
- Repair, reuse and upcycling activities which extend product lifetimes;
- Market-level waste management, including collection and clean-up in major second-hand trading hubs;
- Capacity building and training, particularly for local authorities and informal actors
- Needs assessments and feasibility studies to guide future funding
- Governance and system development activities, such as stakeholder mapping, institutional coordination and policy development; and

- Data systems, monitoring and traceability, which are often lacking but critical for system design and accountability.

This approach may be more appropriate where importing countries lack the infrastructure or governance systems needed to manage end-of-life textiles effectively. In some cases, the first use of funds could be to support needs assessments, stakeholder mapping and the identification of responsible local authorities or delivery partners. These assessments should be carried out with importing-country actors to identify where costs and capacity gaps are highest, rather than being determined from the EU side alone.

At the same time, broadening the scope of funding raises important questions around boundaries and accountability. In practice, it would not be possible to ensure that funded activities only address the impacts of EU-origin used textiles, as bales from the EU may be handled alongside textiles from other other exporting markets. Global EPR funding should therefore be understood as a proportionate contribution to the systems managing mixed used-textile flows, rather than a mechanism that can isolate and fund EU-origin items only.

Clear eligibility criteria would still be needed to ensure that funds support activities linked to end-of-life textile management, rather than unrelated general waste or development activities. There is also a risk of market distortion, particularly if funding unintentionally incentivises continued exports of low-quality or unsellable textiles, undermines domestic reuse or recycling markets, or creates dependency on sustained import volumes. Careful design is therefore required to ensure that additional activities support the objectives of reducing waste and improving system performance, rather than reinforcing existing issues.

Finally, expanding the scope increases the complexity of monitoring and evaluation, particularly where activities involve informal actors or less easily quantifiable outcomes. This reinforces the need for proportionate data and assurance systems, as outlined in Section 5.4.

Key safeguards

Stakeholders also warned that cost coverage must be designed carefully to avoid market distortion. Funding should not incentivise continued exports of low-quality or unsellable textiles, undermine domestic reuse or recycling markets, or create dependency of sustained high import volumes.

For this reason, the scope of cost coverage should be tied to clear objectives: reducing unmanaged textile waste, improving local waste management outcomes, and supporting fairer cost sharing. It should not become a subsidy for poor-quality exports or for maintaining existing trade flows without improvement.

At the same time, decisions on how funds are used should not be determined solely from the EU side. Importing-country actors should play a central role in identifying which costs are most relevant in their local context, including whether funding should prioritise collection, sorting, recycling, residual waste management, repair and reuse, data systems, governance set-up, or capacity building. This is particularly important because waste management systems, market structures and informal-sector roles vary significantly between countries.

A practical approach may be to start with a defined core scope, focused on collection, sorting, recycling, residual waste management and basic governance set up, then expand eligible activities over time based on importing-country needs assessments. This would allow the mechanism to begin with clear and auditable cost categories, while retaining flexibility for local actors to direct funding towards the activities that offer the greatest benefit in their specific context.

5.3 Allocating Fees Across Importing Countries (who gets what)

A core design question is how Global EPR funds could be distributed across importing countries. In practice, this means determining “who gets what” once funds are collected and made available for use outside the EU.

Stakeholders consistently described allocation as one of the most sensitive and risk-laden design choices. This is because allocation decisions would determine not only where funding flows, but also how responsibility, need and impact are interpreted across very different national contexts. Allocation criteria would therefore need to be transparent, defensible and developed with meaningful input from importing-country stakeholders.

This section considers three potential approaches:

- **Export volume-based allocation**, where funds are distributed according to the volume or tonnage of EU-origin used textiles received by each importing country.
- **Waste burden-based allocation**, where funds are adjusted to reflect the expected cost or impact of managing EU-origin used textiles once they eventually become waste in importing countries.
- **Need / capacity gap-based allocation**, where funds are directed towards countries where additional support could address the greatest gaps in waste management infrastructure, governance, data or institutional capacity.

These approaches are not mutually exclusive and could be combined or phased over time. A sequenced approach may therefore be most practical: starting with a simple tonnage-based allocation, then introducing waste burden or capacity gap adjustments over time as trust, data quality and governance arrangements improve. This would help avoid delaying implementation through overly complex scoring systems, while still allowing the mechanism to become more targeted over time.

More detailed methodologies for fund allocation have also been proposed elsewhere. For example, The OR Foundation's Circular Finance Factor provides one example of a more granular approach to determining how funds could be allocated within recipient-importing countries.⁵¹ This report does not assess that methodology in detail, but recognises it as a relevant example of the type of approach that could inform future development of Global EPR allocation mechanisms.

A further cross cutting consideration is legitimacy. Stakeholders raised concerns that allocation criteria imposed solely from the EU could reproduce “EU decides for others” dynamics and undermine trust. There is also a risk that Global EPR could create a dynamic where recipient countries are held to reporting, governance or performance standards that EU systems themselves do not yet fully meet. This reinforces the need for recipient-country stakeholders to be involved in defining allocation criteria, data requirements and assurance processes, rather than having these imposed externally. This is especially important where second-hand clothing markets support livelihoods and local economies; funding mechanisms should avoid destabilising legitimate reuse markets while addressing the costs of managing textiles when they eventually become waste.

5.3.1 Export volume-based allocation

One potential approach would be to allocate Global EPR funds to importing countries based on the volume or tonnage of used textiles they receive from EU Member States. Under this model, countries

⁵¹ The OR Foundation, 2023. Stop Waste Colonialism. Available at: [Link](#)

receiving a larger share of exported used textiles would receive a larger share of the available funding. This could provide a neutral and relatively transparent baseline for determining “who gets what”, particularly where more detailed data on downstream waste management costs, textile quality, reuse outcomes and informal flows is not yet available.

This approach could use existing trade and customs datasets, such as Eurostat COMEXT and UN Comtrade, which track international trade flows by product code. The most relevant cost is likely to be HS 6309, covering worn clothing and other worn textile articles.

There are several possible variants of this approach:

- **Simple tonnage-based allocation**, where funds are distributed according to the total tonnes of used textiles exported to each importing country
- **Quality-adjusted volume allocation**, where tonnage is weighted according to the estimated quality, reuse potential or real waste burden of exported textiles
- **Destination-adjusted allocation**, where allocations are adjusted to account for evidence that textiles are re-exported or moved onwards after entering an initial importing country.

A simple tonnage-based model would be the easiest to implement and communicate. However, it may not reflect the actual burden placed on importing countries. Higher-quality reusable textiles may generate economic value and have lower immediate waste management costs, while lower-quality textiles may create greater sorting, disposal and residual waste burdens. A quality-adjusted approach could therefore better reflect the likely cost implications of different export streams, although it would require more detailed and verifiable data.

As an illustrative example, analysis of UN Comtrade 2025 data for HS 6309 exports from the EU to the rest of the world, by weight, suggests that exported used clothing is concentrated primarily in Asia and Africa.⁵² On this basis, a simple volume-based allocation model would distribute the EU funding pool broadly as follows:

Table 5-1 Export volume-based fee allocation: indicative regional example

Region	Share of EU HS 6309 exports by weight
Asia	47%
Africa	46%
Europe	5%
Americas	3%

Under this approach, if a total “Global EPR” funding pool of €100 million were available, approximately €47 million would be allocated to Asia and €46 million to Africa, before any further adjustments for quality, re-export flows, local waste management costs or governance considerations.

The same logic could then be applied within each region. For example, within the African share of EU HS 6309 exports, the largest reported importing countries by weight include Tunisia, Togo, Cameroon, Benin,

⁵² UN Comtrade Database, n.d. Trade Data. Available at: [Link](#)

Morocco, Ghana, Guinea and Nigeria. On a simple intra-African volume basis, the African allocation could be distributed approximately as follows:

Table 5-2 Export volume-based fee allocation: indicative county specific example

African importing country	Share of African HS 6309 imports from the EU by weight
Tunisia	13%
Togo	11%
Cameroon	9%
Benin	9%
Morocco	8%
Ghana	6%
Guinea	6%
Nigeria	4%
Other African countries	34%

This type of allocation formula could also be updated periodically to reflect changes in trade flows. For example, allocation shares could be recalculated annually using the latest verified customs or trade data, or more frequently where reliable monthly or quarterly data is available. This would allow funding to follow changes in export patterns over time, rather than locking importing countries into fixed allocation shares based on a single baseline year.

The main benefit of a volume-based approach is that it avoids the need for an immediate assessment of the full waste management cost base in each importing country, which may be difficult where data is limited or informal actors play a significant role. Stakeholders saw this as the most defensible baseline because it is objective, relatively easy to explain to fee payers, and carries a lower risk of perceived political bias than more judgement-based allocation methods.

Limitations

However, several limitations of this approach were identified. Stakeholders emphasised that volume alone cannot capture the full environmental or social burden associated with used textile imports. Countries with similar import volumes may face very different impacts depending on waste infrastructure, disposal practices, informal-sector involvement, population exposure, and the extent to which textiles are dumped, burned or unmanaged once they become waste.

There is also a risk that export data may not accurately capture where textiles ultimately end up. Used textiles may be imported into one country and then re-exported, formally or informally, to another. This is particularly relevant where countries act as regional trading hubs. For example, available literature notes that significant quantities of second-hand clothing entering Nigeria are attributed to smuggling from neighbouring Benin and Togo, while Tanzania has also been identified as both a importing and transit

hub in East African second-hand clothing trade.⁵³ In Asia, the EEA notes that exported used textiles are often associated with recycling or re-export, highlighting that the first recorded destination may not always be the final point of use or disposal.⁵⁴

For this reason, export volume-based allocation may be most appropriate as a baseline approach, rather than a complete solution. It could be used as an initial allocation formula, with refinements introduced over time as better data becomes available. These refinements could include quality-based weighting, regional adjustments for re-exports, evidence of actual waste management costs, or minimum safeguards to ensure that funding reaches actors involved in collection, sorting, reuse, recycling and residual waste management.

Further consideration points

In practice, this option would require further consideration of:

- Which export data sources should be used and verified;
- Whether allocation should be based on gross tonnage, net reusable tonnage, or estimated waste burden;
- How textile quality should be defined and measured;
- How to account for re-exports and informal cross-border movement;
- How often allocation shared should be updated; and
- What audit requirements would be needed to prevent misreporting or perverse incentives.

5.3.2 Waste Burden Allocation

A second approach would be to allocate Global EPR funds according to the estimated waste management burden associated with used textiles once they eventually become waste in importing countries, rather than relying on export volumes alone. Under this model, **countries facing greater downstream pressure from imported used textiles would receive a larger share of funding, even where their recorded import volumes are similar to, or lower than, those of other countries.**

This would make the allocation more sensitive to local conditions, including municipal waste collection coverage, disposal infrastructure, environmental controls, the role of informal actors, and the extent to which costs are borne by local authorities, communities, market operators or private waste managers.

There are several possible variants of this approach:

- **Waste management cost-based allocation**, where funds are weighted according to the estimated cost of collecting, sorting, recycling, disposing of or cleaning up imported used textiles once they become waste.
- **Environmental pressure-based allocation**, where allocations reflect evidence of dumping, open burning, leakage into waterways, pressure on disposal sites or other unmanaged impacts associated with end-of-life textiles.

⁵³ Sarmento dos Muchangos et.al, 2026. Two Sides of the Same Cloth: Exploring the Second-Hand Clothing Trade in Africa from a Circular Lens. Available at: [Link](#)

⁵⁴ EEA, 2026. EU Export of used textiles. Available at: [Link](#)

- **Domestic burden-based allocation**, where funds are adjusted to reflect whether imported used textiles are likely to remain in the importing country or be re-exported onwards before reaching end-of-life.

A simplified calculation could be structured as follows:

Waste burden weight = EU-origin used textile imports x domestic management factor x burden factor

The allocation share would then be calculated as:

Country waste burden weight / total waste burden weight across eligible recipient countries

The example below applies this approach to selected African importing countries using UN Comtrade 2025 HS 6309 export weights, combined with illustrative burden factors. These figures are not proposed allocation values; they show how a simplified example of how this could be approached.

Table 5-3 Waste burden-based fee allocation: indicative example of fee distribution

Country	EU HS 6309 exports, tonnes (2025)	Domestic management factor*	Illustrative burden factor**	Waste burden weight	Share of Africa's Global EPR fees
Tunisia	77,800	1.0	0.25	19,400	19%
Togo	67,200	1.0	0.75	50,400	50%
Ghana	35,400	1.0	0.70	24,800	25%
Kenya	8,900	1.0	0.60	5,400	5%

***Domestic management factor** reflects whether the textiles are expected to remain in the importing country once they become waste and ultimately require management there. In this example, this is set at 1.00 for all countries, meaning all recorded used textile imports are assumed to eventually require management in the importing country.

** The **burden factor** is an illustrative weighting that reflects the relative difficulty, cost or environmental pressure associated with managing those textiles once they become waste. This would need to be calculated using a defined and transparent methodology, which could be developed at the EU level to support comparability across countries – setting out common indicators. These could include the severity of waste management infrastructure gaps, evidence of open dumping or burning, public health risks in densely populated or informal settlement areas, and the costs currently borne by municipalities, communities, market actors or informal workers. However, the assessment itself should be informed / completed by importing country stakeholders to ensure the scores reflect local waste management realities.

The main benefit of this approach is that it is more closely aligned with the objective of extending EPR cost coverage. Rather than distributing funds according to where used textiles are first exported, it seeks to direct funding towards the countries and actors experiencing the greatest downstream costs and impacts. This could help ensure that funding supports practical interventions such as market waste collection, sorting infrastructure, recycling capacity, safe disposal, clean-up activities, and support for informal or community-based waste management actors.

Limitations

However, this option would be significantly more data-intensive than a simple volume-based allocation model. To allocate funds according to impact or need, the system would require reliable information on local waste infrastructure, textile flows after import, the lifespan of reused textiles, the share eventually entering municipal or informal waste systems, and the costs of collection, sorting, recycling and disposal. In many importing countries, this information is incomplete, inconsistent or not collected at all.

This is particularly challenging where end-of-life textiles are managed through informal or semi-formal systems. Used textiles may pass through markets, small traders, informal sorters, repairers, upcyclers, waste pickers and disposal routes that are not captured in official statistics. As a result, the countries or actors facing the greatest burden may not necessarily have the strongest evidence base to demonstrate that need. A purely evidence-based allocation model could therefore risk favouring countries with better data systems, rather than those experiencing the highest unmanaged impacts.

There is also a risk of inconsistent measurement across countries. Different importing countries may define and record textile waste, reuse, recycling, dumping, burning and disposal in different ways, making it difficult to compare needs fairly. Without common indicators and minimum reporting standards, an impact-based model could become difficult to administer and open to dispute.

For this reason, an impact- or needs-based approach may be most practical as a refinement to a simpler volume-based baseline, rather than as the sole allocation method from the outset. Volume data could be used to establish an initial distribution of funds, with additional weighting applied where there is credible evidence of higher waste management burden, infrastructure gaps or environmental harm. Over time, importing-country reporting, audits and project-level evidence could be used to strengthen the basis for these adjustments.

Further consideration points

In practice, this option would require further consideration of:

- Which indicators should be used to measure waste management burden or need;
- How to estimate the share of imported used textiles entering formal, informal or unmanaged waste routes;
- How to distinguish general waste management pressures from textile-specific pressures;
- How to account for costs borne by municipalities, market operators, informal workers, communities and private waste actors;
- How to avoid penalising countries where impacts are severe but poorly recorded;
- What minimum evidence would be needed to apply an impact-based weighting.

5.3.3 Need / capacity gap-based allocation

A third approach would be to allocate Global EPR funds based on the level of need or capacity gap in importing countries. Under this model, funding would not be distributed only according to the volume of used textiles received, or the estimated scale of textile related waste impacts, but according to where additional funding could deliver the greatest improvement in waste management outcomes.

This approach is distinct from an impact-based model. An impact-based model asks where imported used textiles are creating the greatest downstream burden. A need or capacity gap-based model asks where funding is most needed to improve the ability of importing countries to manage those textiles

once they reach end-of-life. This could include gaps in collection systems, sorting capacity, recycling or upcycling infrastructure, controlled disposal, data systems, enforcement capacity, or institutional coordination.

The rationale for this approach is that the same amount of funding may have very different marginal benefits in different contexts. In countries where basic waste management infrastructure is underdeveloped, the marginal benefit per Euro provided may be high relative to countries with more developed systems, where the same funding may have a smaller marginal effect or may need to be targeted at more specific technical improvements.

There are several possible variants of this approach:

- **Infrastructure gap-based allocation**, where funds are directed to countries or cities lacking adequate collection, sorting, recycling or controlled disposal capacity.
- **Institutional capacity-based allocation**, where funds are directed to countries that require support to establish a responsible authority, governance structure, monitoring system or fund management mechanism.
- **Data capacity-based allocation**, where funds are used to improve the measurement of used textile flows, reuse outcomes, textile waste generation and treatment routes.
- **Readiness-based allocation**, where funds are prioritised for countries that can demonstrate both need and a credible pathway for using the funding effectively.

This approach would require some form of needs or capacity assessment in importing countries. These assessments should consider the economic role of second-hand clothing markets. In some importing countries, imported used textiles support livelihoods across trading, repair, alteration, resale and recycling activities. Equally, they should not be designed or carried out solely by EU-based actors. Stakeholders in importing countries would need to play a central role in identifying the relevant needs, costs, implementation barriers and priority interventions. This would help ensure that funding decisions reflect local realities, including the role of municipalities, market authorities, informal workers, reuse traders, recyclers, civil society organisations and national regulators.

In practice, the first use of EPR funds under this model could be to finance these assessments themselves where these haven't already been completed in importing countries. For example, an initial share of the funding pool could be used to carry out country-level or city-level diagnostics, map the actors involved in managing end-of-life textiles, assess current infrastructure gaps, estimate costs, and identify a suitable responsible authority or fund importing. This could be particularly important in countries where no existing institution has a clear mandate to receive and distribute international EPR-related funds for textile waste management.

In later phases, funds could be allocated to specific interventions, such as market waste collection, sorting facilities, textile recycling pilots, safe disposal infrastructure, clean-up programmes, or support for informal and community-based waste actors.

The main benefit of a need or capacity gap-based approach is that it directs funding to where it can have the highest practical value. It recognises that the objective is not only to compensate importing countries for receiving used textiles, but to improve the systems that manage those textiles once they reach end-of-life. It could also help avoid a situation where funds are distributed mechanically according to trade flows, without considering whether countries have the infrastructure or institutions needed to use the funding effectively.

Limitations

While this approach may better target funding to where it is most needed, stakeholders warned that complex scoring systems could increase administrative burdens and create disputes over indicators. If the methodology is too difficult to agree or apply, it could delay implementation.

There is also a risk that countries with the weakest systems may struggle to meet the reporting, governance or fiduciary requirements needed to receive funds, even though they may have the greatest need. Conversely, countries with stronger institutions may be better able to prepare applications, demonstrate capacity and absorb funding, even where their relative need is lower. This creates a risk that funding flows towards countries that are easiest to work with, rather than those where support is most needed.

A further challenge is that establishing responsible authorities, conducting assessments and building data systems takes time. This means that a capacity gap-based model may be slower to implement than a simple volume-based allocation model. It may also require upfront administrative spending before funds can be directed to physical waste management activities. While this could be justified where it improves long-term accountability and effectiveness, it would need to be communicated clearly to avoid the perception that funds are being absorbed by process rather than reaching waste management actors.

For this reason, a need or capacity gap-based approach may be best used as a complementary allocation method. Export volume data could provide an initial indication of where funding should flow, while capacity gap assessments could determine how much additional support is needed and what the funds should be used for. In countries where the evidence base is weak, an initial allocation could be reserved specifically for assessment, governance set-up and stakeholder mapping before larger implementation funding is released.

Further consideration points

In practice, this option would require further consideration of:

- Which indicators should be used to assess need and capacity gaps;
- Who should carry out the assessment in importing countries;
- How local stakeholders, including informal and community-based actors, should be involved;
- Whether an initial share of EPR funds should be ring-fenced for diagnostics, stakeholder mapping and governance set up;
- How to ensure countries with weak data systems are not excluded from funding;
- How often capacity gap assessments should be updated;
- What safeguards would be needed to ensure funds are used for end-of-life textile management rather than general waste activities unrelated to imported used textiles.

5.4 Data, Audit and Assurance Requirements

A credible Global EPR mechanism would require robust data, audit and assurance requirements to maintain credibility with EU producers, regulators and importing-country stakeholders. However, stakeholders also recognised that data will be imperfect at the outset, particularly where textiles are managed through informal or semi-formal systems. Global EPR should therefore establish minimum requirements from the start, while progressively strengthening reporting, verification and audit processes over time.

Core data requirements

At a minimum, the system would need to track three core categories of data:

- **Material flows data** would include the quantities of used textiles exported from the EU and received in importing countries, drawing initially on customs data, shipment records, pre-shipment inspections and importer/exporter declarations.
- **Financial flow data** would track how much funding is collected, transferred, received and spent.
- **Outcome data** would record what the funding delivers, for example, collection, sorting, recycling, safe disposal, clean-up activities, or capacity-building measures.

These data points would need to demonstrate that funds are linked to textile flows, are reaching intended importing countries, and are supporting activities relevant to end-of-life textile management.

Data collection and verification

Customs data, shipment documentation, pre-shipment inspections and digital reporting tools could provide the baseline data infrastructure. Customs data can provide an initial picture of trade flows, while inspections and documentation can help verify that exported used textiles are correctly classified.

Digital reporting platforms could be used to consolidate information from producers, PROs, exporters, importing-country authorities and funded actors. Stakeholders also raised the potential for shared or centralised platforms, including “black box” models, where sensitive data could be submitted securely and used to generate aggregated reporting outputs without duplicating requirements across multiple actors.

Audit and assurance

Independent financial and performance audits would be needed to ensure accountability. Financial audits should verify that funds have been transferred, received and spent for the intended purposes. Performance audits should assess whether funded activities are delivering meaningful outcomes, such as improved collection, sorting, recycling or support for local waste management actors.

Actors who could commission the audit are outlined in 5.1.4. Audits should be carried out by independent auditors or accredited third parties. Importing-country authorities and local stakeholders should also feed into the audit process, particularly where outcomes depend on local market conditions, informal actors or municipal waste systems.

Risk management and safeguards

A Global EPR mechanism would also need to manage risks associated with how funds are allocated, received and spend. Risks include corruption, diversion of funds to unrelated activities, double counting of reported outcomes, inflated cost claims, and funds being concentrated among larger or more formal actors rather than reaching those actually managing end-of-life textiles. These risks may be higher where

funding is channelled through new institutions, where data systems are weak, or where informal actors play a major role but are not formally recognised.

Global EPR should therefore include clear safeguards from the outset. These could include eligibility criteria for funding importing countries, transparent allocation rules, published funding decisions, conflict-of-interest requirements, basic procurement controls, expenditure reporting, and independent audits. Where funds are distributed through national or regional bodies, minimum governance and reporting standards would be needed to ensure that money is not diverted away from textile-related waste management priorities.

There is also a risk that overly strict assurance requirements could exclude importing-country actors with limited administrative capacity, particularly informal or community-based organisations. Safeguards should therefore be proportionate: robust enough to prevent misuse, but not so burdensome that only large institutions or international organisations can access funding. A tiered approach could be used, with simpler reporting for smaller grants or community-level activities and more detailed audit requirements for larger infrastructure or programme funding.

Proportionate governance and equivalent standards

Assurance requirements should be proportionate to both the scale of funding and the capacity of the actors receiving it. Where the Global EPR funding pool is relatively small, highly complex governance structures or multi-layered audit requirements could absorb a disproportionate share of available resources. In these cases, a simpler model may be more appropriate, with clear eligibility criteria, basic expenditure reporting and targeted audits.

At the same time, requirements placed on importing countries should not exceed the standards expected of EU schemes themselves. Concerns were raised that Global EPR could create a dynamic where importing countries are held to higher reporting, governance or performance standards than those currently achieved within EU systems. Importing-country actors should be expected to demonstrate that funds are used for agreed purposes, but reporting and audit obligations should be proportionate, achievable and comparable to those applied within EU EPR systems. Where larger amounts of funding are transferred, or where funding supports infrastructure, national programmes or multi-year interventions, more detailed governance arrangements would be justified, including co-governance with importing-country stakeholders, independent audits and stronger outcome reporting.

Response to misuse or poor performance

Global EPR would need clear procedures for cases where funds are misused, poorly documented or not delivering intended outcomes. Possible responses could include corrective action plans, additional reporting requirements, temporary suspension of further payments, recovery of misused funds, or reallocation of future funding to alternative delivery partners.

However, the response should be proportionate and context-specific. Weak reporting capacity should not automatically be treated as misuse, particularly in countries where data systems are still developing. The system should distinguish clearly between fraud or misuse, poor performance, and capacity constraints that require technical support.

Global EPR should not create a situation where importing countries are held to higher standards, or face harsher penalties, than EU schemes themselves. Enforcement should therefore be aligned with the scale of funding, the seriousness of the issue, local operating conditions, and the level of institutional capacity available.

Progressive strengthening and informal sector inclusion

Stakeholders emphasised that informal actors play a central role in textile reuse, sorting, repair, recycling and waste management in many importing countries. Excluding these actors would undermine the effectiveness of the mechanism, but requiring full formalisation from the outset would be unrealistic.

A practical approach could be gradual formalisation through cooperatives, licensing training, simplified reporting templates and proportionate audit requirements. Initial reporting could focus on a small number of core indicators, with requirements strengthened over time as data systems, institutional capacity and local governance arrangements improve.

5.5 Legal and Financial Mechanisms

A Global EPR system should be understood not as a single regulatory intervention, but as an evolving extension of existing EPR frameworks, developed in response to clearly identified gaps in existing policy. As outlined in Section 4.0, the revised WFD establishes a strong systems-based logic for producer responsibility within EU borders but leaves unresolved how financial responsibility should be extended when products are exported for reuse and subsequently become waste outside the EU. The design of legal and financial mechanisms for Global EPR must therefore build on this existing framework, while gradually extending its scope to reflect transboundary material flows.

Interaction with existing WFD responsibilities

Global EPR would need to remain consistent with the principles established under the WFD, particularly the polluter-pays principle and the requirement that producer contributions reflect the costs of waste management activities. However, extending these principles beyond the EU raises questions around jurisdiction, scope and legal compatibility.

As discussed in Section 4.0, current EPR obligations are territorially bound, with financial responsibility linked to waste management activities occurring within Member States. Once textiles are exported for reuse, they fall outside both EU waste legislation and the operational scope of national EPR systems. Global EPR mechanisms would therefore need to operate alongside, rather than within existing legislative boundaries, potentially through supplementary legal instruments, guidance frameworks or coordination mechanisms at the global level.

Allocation under complex trade systems

A central legal and operational challenge relates to the limited traceability of used textiles once exported. As highlighted in Section 2.0, textiles frequently pass through multiple stages of sorting, resale and re-export across different jurisdictions, often involving both formal and informal actors. This uncertainty has direct implications for legal design. Global EPR mechanisms are unlikely to be feasible if they depend on highly granular traceability or individual product-level tracking. This challenge is further compounded by diverging legal frameworks in importing countries, including varying rules on the import of used textiles. In some cases, imports may be formally restricted or prohibited but continue to occur in practice through informal channels. For example, imports of used clothing are restricted under Nigerian law, despite continued operation of large-scale second-hand markets. This raises a fundamental question for Global EPR design: *can a funding mechanism legitimately support the management of material flows that are not formally recognised, or are technically illegal, under national law?*

This tension suggests that Global EPR mechanisms would need to be carefully aligned with importing-country legal frameworks, potentially limiting their applicability in certain markets or requiring case-by-case approaches to ensure compliance.

Variation in institutional and economic contexts

The implementation of Global EPR mechanisms is further complicated by significant variation across importing countries in terms of infrastructure, governance capacity and socio-economic conditions. Waste management systems range from structured municipal services to predominantly informal, market-based or community-led approaches. These differences have direct implications for both the legal structuring of funding flows and the financial management of EPR contributions. Standardised mechanisms may be difficult to apply across contexts, while highly tailored approaches may increase administrative complexity. In addition, gaps in financial governance frameworks may limit the ability to

ensure effective use of funds. These differences affect both the design and implementation of funding mechanisms, and therefore Global EPR may need to support not only operational costs but also system-level capacity building (see Section 5.3).

Phased implementation

Overall, Global EPR requires a flexible and adaptive legal and financial framework. Rather than relying on uniform implementation, it should combine:

- Context-specific implementation across different jurisdictions; and
- Gradual strengthening of institutional and implementation capacity.

Global EPR could be introduced gradually, for example through pilot mechanisms, and expanded over time as governance structures and data systems improve. This phased approach reduces risk and allows the mechanism to evolve in line with importing-country capacity. In this way, Global EPR represents a progressive extension of EPR principles into global value chains, requiring iterative development and sustained coordination between EU and importing-country actors.

6.0 Knowledge Gaps and Further Research

This report has set out a range of potential design options for extending textiles EPR beyond the EU to better align responsibility with the global reality of textile flows. However, several methodological, operational and governance questions remain unresolved. Addressing these gaps will be critical to ensuring that any Global EPR mechanism is credible, effective and implementable in practice.

A cross-cutting gap relates to the **availability of data** on export volumes, quality and end-of-life pathways of exported textiles. The absence of harmonised end-of-life criteria and the prevalence of informal trade and re-export further complicate findings. At the same time, the pursuit of perfect data presents a risk of delaying the transition to a Global Textiles EPR framework, when in reality the complexity of global trade flows makes tracking textiles pathways a time consuming and expensive task. Improving data systems, including the potential future use of Digital Product Passports and enhanced reporting under the Waste Framework Directive, will be essential to support more robust fee-setting, allocation and accountability mechanisms.

Secondly, there are important knowledge gaps relating to the **structure of Global EPR contributions**. While several approaches to fee calculation have been identified (e.g. cost/risk-based, volume-based, percentage-based), each is associated with significant uncertainty. In particular, there is limited empirical evidence linking export volumes, product characteristics and actual waste management costs in importing countries. Further research is required to test different fee-setting methodologies, including how they perform under real-world conditions, how they interact with domestic EPR obligations, and whether they generate sufficient funding to support meaningful outcomes without creating disproportionate administrative complexity or unintended market distortions.

Closely linked to this is the need for further research into **governance models** and institutional arrangements. The analysis highlights a range of potential actors and structures, from national PROs to EU-level funds and hybrid governance boards, but the effectiveness of these models is highly context-dependent. There is limited evidence on how to design governance systems that are both operationally efficient and sufficiently inclusive of importing-country perspectives, particularly in contexts where trust in public institutions may be limited or where activities are highly decentralised. Piloting co-governance models, participatory allocation mechanisms and community-level oversight approaches could provide valuable insights into how legitimacy and accountability can be strengthened in practice.

Finally, **legal and institutional questions** also warrant further investigation. Although this report finds no fundamental legal barrier to extending EPR beyond EU borders, further legal analysis is required to test

how Global EPR contributions could be integrated into existing frameworks at both EU and Member State level, and how they would interact with the legal and policy frameworks of importing countries. This includes clarifying eligible cost coverage, avoiding duplication with domestic EPR schemes where they exist, and ensuring compatibility with international trade and financial mechanisms.

Taken together, these gaps point to the need for a phased and iterative approach to policy development, underpinned by targeted pilots, such as that carried out by The Or Foundation and SHEIN,⁵⁵ stakeholder engagement and continuous learning. Early-stage implementation may need to rely on simpler models and assumptions, while progressively integrating more sophisticated data, governance and allocation mechanisms as the evidence base improves. In all cases, further research should be undertaken in close collaboration with importing-country stakeholders to ensure that future Global EPR systems are grounded in local realities and aligned with shared objectives of reducing unmanaged textile waste and improving global circularity outcomes.

7.0 Conclusions

The expansion of textile EPR across the EU offers a meaningful opportunity to strengthen producer responsibility, but current schemes do not yet account for the significant share of EU-origin textiles that will ultimately become waste outside the EU. The result is a structural gap: financial responsibility does not consistently follow material flows, and the costs of end-of-life management fall on importing-country actors who sit outside EU-funded systems.

This report has explored how that gap could be addressed through Global EPR, and several conclusions emerge from the analysis.

Any mechanism would need to be phased and adaptive. Given current data limitations, a simple starting point is likely more realistic than a highly complex model from the outset. Export volumes or fixed percentage contributions could provide an initial basis, with more refined approaches introduced as evidence and capacity develop.

Legitimacy will be critical to any workable design. A Global EPR mechanism cannot be developed solely from an EU perspective. Importing country stakeholders would need to play a meaningful role in defining needs, shaping allocation criteria and verifying outcomes. Without this, there is a real risk of reproducing the very imbalance the mechanism is intended to address.

Strong safeguards will also be essential, covering data, audit and assurance systems to track material and financial flows, and manage risks including misuse of funds, double counting and the exclusion of informal actors. These requirements must nonetheless remain proportionate, recognising the realities of importing-country systems.

Finally, **the scale and scope of contributions must be carefully calibrated:** sufficient to support meaningful improvements in waste management, but proportionate, transparent and clearly linked to identifiable end-of-life functions.

Used textiles will continue to move through global reuse markets regardless of how EPR schemes are designed. The question is whether those schemes evolve to reflect that reality. Extending cost coverage beyond the point of export offers a practical route to close an existing policy gap, strengthen the polluter-pays principle, and move towards a more equitable distribution of responsibility across the global textiles system.

⁵⁵ The Or Foundation, 2022. The Or Foundation Announces an EPR Fund Agreement with SHEIN at the Global Fashion Summit. Available at: [Link](#)

