

ECESP LEADERSHIP GROUP ON TEXTILES



REVISION OF THE WASTE FRAMEWORK DIRECTIVE: ENHANCING TEXTILES EPR SCHEMES THROUGH INCLUSIVE GOVERNANCE

EU CIRCULAR TALKS
SUMMARY

Organised by the ECESP Leadership Group on Textiles, this #EUCircularTalks took place on 19 November 2024 on the topic of *Revision of the Waste Framework Directive: Enhancing textiles EPR schemes through inclusive governance*. The recording of the webinar can be found [here](#).

Rasmus Nordqvist, Member of the European Parliament, worked in the fashion industry for 20 years. He decided to join politics because he noticed that the fashion industry wasn't able to reduce its negative environmental impact by itself. Therefore, contributing to regulation and legislation at European level was an essential step for him to take.

Regarding the sustainability in the textile industry, the parliament confirmed its pre-election position through political meetings, which have been followed by technical ones. Nordqvist expressed his optimistic feeling about the parliament's ambitious position on the matter, and its capability to push the EC's proposition in a good direction. In order to have successful negotiations, three aspects must be taken into account. Firstly, Nordqvist stressed the importance of creating an EPR based not only on the weight, but also on the quantity in order to have a more comprehensive approach and effectively tackle the fast fashion issue. Secondly, he warned on the necessity of enlarging the scope to carpets, mattresses and other businesses that are part of the textile industry and consequently represent a huge area when it comes to the use of resources. Thirdly, the importance of timing was put forward. In this regard, the Commission had initially suggested to be operational 30 months after the decision. This delay has been later reduced to 18 months by the Parliament. Moreover, for a successful development of sustainable models in the textile industry, political action and financing must be available. Although sustainable models around Europe already exist, they are faced with struggles that put them out of business because of politics poor timing on sustainability. Lastly, public procurement is identified as the next essential step to contribute to the growth of reusable textiles business.

Florian Marin is EESC member and president of the study group which prepared the NAT/907 opinion on the Revision of the EU Waste Framework Directive. He is vice president of group two of the EESC, whose purpose is representing workers. In the first place, Marin highlighted the need to involve civil society alongside with businesses, workers and consumers in the transition to a sustainable textile sector. The WFD reflects the EU commitment to creating a sustainable and circular economy. Through the recent update, it emphasizes the need of aligning waste management practices with sustainable goals, motivating enterprises to embrace innovative strategies to minimize waste and maximize resource efficiency. By incorporating EPR schemes, the WFD revision insures that the producers are responsible for the entire process of the product.

This will foster a culture of repair, reuse and recycle. Inclusive governance for the EPR schemes implies bringing together diverse stakeholders at early stages of planning, implementation and operation. This means involving local government, waste management entities, environmental organizations, industry representation and civil society. Each entity plays a fundamental role in the lifecycle of the waste and its management. Therefore, by implementing their perspectives, we are sure that the EPR are robust, equitable and effective. Shared governance is essential to create systems that are fair, efficient and aligned with sustainable goals. In 2023, the EESC issued a detailed opinion on the WFD revision, proposing the mandatory introduction of an extended responsibility scheme for textile. Moreover, it highlights the importance of reviewing legislation to guarantee a practical on-the-ground implementation. Policies must be visible, with clear guidelines and tools to support compliance at all level. A single set of rules to apply to all producers and distributors, including online platforms, must be implemented, with the aim of ensuring consistency in waste management practices across Europe. In conclusion, the essential role of stakeholders and their engagement through platforms like the EESC, will contribute to a holistic approach to assure that the management systems are equitable, effective and accountable to all stakeholders.

Matthias Neitsch, President of RREUSE and Managing Director of Re-Use Austria, stressed the importance of social economy as the core of the re-use system. Indeed, social economy invented social collection long before this was an issue of waste policies. In this regard, the first social collection took place 1550 years ago, reflecting the long history of social and charitable textile collection. Nowadays, social economy should be playing a leader role; considering that through local reuse, social enterprises create the maximum value out of textiles. For example, 60% of total revenue of textile collection of social enterprises comes from just 10% of the mix which is sold in Austria. The contribution of reuse abroad is smaller and represents the second source of revenue, followed than by recycling, which produces revenues but also costs. In addition, some parts of the collection are not suitable for recycling, and must be incinerated: their disposal is source of costs. Although reuse abroad is self-sustaining, at the moment it faces a huge crises because of multiple global market irritations. Recycling, on the other hand, has always been insufficient and this is why EPR was created : to cover the costs of recycling. In fact, the huge amount of textile that is not suitable for reuse, must be recycled otherwise it would be incinerated. Without underestimating the importance of the recycling industry, it must be said that reusing is the most effective solution to deal with waste and, above all, create value. Investment and financing from the producers is needed to support recycling. However, we must make sure that recycling will not replace the practice of reuse, and to avoid that, social enterprises must be at core, as well as local reuse.

Regarding inclusive governance practices, Neitsch stated that would be influenced by the way each member state implements the legislation after the introduction of the WFD. One way of fostering social enterprises could be to include public administrations, politicians and social enterprises into the government bodies of the PROs, which carry the tasks of the EPR. Civil societies, NGOs, social economies and the public sector will consequently be involved in the decision making process concerning polluters fees.

Mariska Boer, active in the Dutch Textile Recycling Association and EuRIC Textiles, highlighted several key aspects of textile EPR system. In the Netherlands the EPR law came into force on July 1st, 2023, but its targets will only become effective from January 1st, 2025. Negotiations are currently ongoing to define how the system will function in practice. Boer emphasized the importance of having multiple active PROs to ensure inclusive governance. At the same time, there is a challenge in balancing inclusivity with the need for a fast and efficient setup. A central point of debate concerns the allocation of EPR funds: how much should go to collection, recycling, and reuse, and how much should support monitoring and enforcement? There's a clear need for supporting legislation that allows EPR funds to cover the real costs of recycling. However, the market of recycled products lacks consumers, that is why cross-sector collaboration is needed. An additional barrier is the producers' perception of EPR as an administrative and financial burden, which limits their willingness to collaborate. Finally, there's a lack of investment in post-consumer textile recycling, largely due to uncertainty around the end-of-waste status: why invest in recycling infrastructure if it's not clear whether the output can be legally placed on the market as a secondary raw material? Therefore, there are a lot of different elements that need to be figured out, especially seeing the urgent situation in which the textile industry is in at the moment.

Vanya Veras, Secretary general of Municipality Waste Europe, highlighted the role of municipalities when delivering on waste collection legislation. She explained that article 8 and 8a of the WFD entail the obligation for member states to set up independent bodies bringing together participants of the value chain. Such parties are producers, municipalities, social enterprises, reuse operators, recycling organizations and sorting plants, and their aim to collaborate to set up PROs. Regarding municipalities, their goal is transparency, which is key to the success of EPRs, especially to prevent competition among multiple PROs. PROs work just like membership organizations, and unless they are imposed fees at national level, they will set their own. Regarding textiles and more specifically apparel, waste is to be collected in the same bin, as a consequence one PRO can be possible. Competition then is set at efficiency: the efficiency of the system allows to make sufficient profit from the reusable items to be able to pay for the system.

Concerning the way municipalities and EPRs collaborate, it is said that municipalities have to make sure that there are no textiles in the mixed waste stream and collect the remaining waste that social enterprises are not able to collect. However, a gap between the separate collection and textile EPRs remains. Technically, the EPR is supposed to come first, though the Commission is late with the revision of the WFD. There are nevertheless precedents that could cover that time gap. Deontologically, the EPR is the framework, so it is supposed to come first and it implies paying for separate collection, sorting, transport, recycling and ultimate waste treatment. Nonetheless, according to articles 8 and 8a, which precede the textile EPR, the producer has to pay at least 80% of the costs mentioned.

Janine Röling is the director/founder of Collectief Circulair Textiel, an initiative of the environmental organization Fair Resource Foundation. Its aim is to create an EPR system that involves diverse stakeholders, to make the product stream environmentally friendly. Röling argued that traditional PROs are usually made up of producers prone to create a system that is cheap for them. Moreover, by concentrating the power in their hands, they prevent inclusive governance, which should be key in the decision-making process. An additional obstacle of the legislation is its unified approach to textiles, which does not take into account the specificities of each type. Consumer textiles, for example, are more fit for reuse than B2B textiles. A further example of the fact that textile legislation needs diverse inputs is that the system is set up in terms of weight. This is unfair because, for example, a producer of fully woollen sweaters is expected to pay more than producers of big quantities of polyester t-shirts, even though woollen products have a longer life-expectancy.

When discussing inclusive governance, Veras added that though it is important, it should be done at the right level. According to her, having all the actors involved in the PRO is not the right approach. Instead, it would be preferable to include them in the design phase of the EPR, at national level and when determining the price of collection. Said price would normally be decided by municipalities. Furthermore, Veras stated that PRO should be fully non-profit, to avoid aggressive takeovers. Regarding modulated fees on mixed fibres, she stated that the EU intends to increase them to discourage production, since this type of fabric ends up in incinerators or in landfills.

Andreas Brieger, Director for Climate, Energy, and Environment policy of SMEUnited, highlighted the prominent role of SMEs in the textile industry. For instance, 99% of the textile enterprises are SMEs, of which 93% are microenterprises. SMEs account for 75% of employment and to 2/3 of added value in the sector. Hence, the importance of including small businesses in EPR schemes.

Inclusive governance is essential for these enterprises, as they would benefit from shared recycling infrastructure and joint logistics, which could help reduce the costs of waste management and technical barriers. When it comes to EPR schemes, they should be implemented proportionately, so that each actor along the value chain is held accountable for their role. Additionally, the reporting obligations under EPR can provide SMEs with access to valuable data, often difficult for them to obtain, while also enhancing transparency for consumers. However, better access to training would be necessary to support their participation. Finally, it is highlighted that applying the polluter-pays principle correctly is crucial to establishing a fair system, ensuring that costs are proportionate to the role of the actor in the value chain.

#EUCircularTalks

Meet the speakers

 Andreas Brieger SMEUnited	 Florian Marin European Economic and Social Committee
 Jana Žůrková RREUSE	 Janine Röling Collectief Circulair Textiel
 Mariska Boer EuRIC Textiles	 Matthias Neitsch RREUSE & Re-Use Austria
 Rasmus Nordqvist European Parliament	 Vanya Veras Municipal Waste Europe

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Q&A

Q: At the moment, EPR schemes don't seem to provide measures concerning volume reduction, so how can volume reduction be carried out?

Rasmus Nordqvist answered, pointing out that the new ERP system has a new approach that includes taking into account weight and quantity. However, the reduction of production is a complex issue to tackle, since it requires the collaboration of big producers.

To add on this, Matthias Neitsch, claimed that EPRs are not the most suitable instrument to contrast overproduction and overconsumption. In this context, alternative instruments like the Eco-design Directive may offer more effective solutions.

However, he pointed out that the political pressure to de-regulate and reduce bureaucratic burden prevent these initiative from having an impact. Moreover, the lack of resources to hire new staff that would implement these laws at national level, represents an additional obstacle to reducing overproduction and overconsumption. He emphasized that EPRs are a tool that promote greater transparency and fairness in addressing practices that are currently taking place but should not be. Regarding modular fees, it is noted that they were introduced as a tool to encourage a shift from short-lived to longer-lasting products. Nevertheless, if these fees are subject to competition among EPR schemes and PROs, their effectiveness is significantly reduced. For instance, modular fees are supposed to be lower for producers that put on the market high-quality and long-lasting products, and higher for fast fashion enterprises. Yet, due to the competition among EPR schemes, fast fashion companies will choose the ones with the cheapest modular fees. For this reason, it is suggested that modular fees be set at the European or national level, as their purpose is to support research and development, finance reuse and promote prevention activities.

Janine Röling invited the stakeholders to encourage the council's policymakers to support the parliamentary initiatives. She insisted that there is still room for improvement in order to make EPR schemes more impactful. For example, by ensuring more effective representation of small and sustainable businesses, as well as implementing rewards that recognize their initiatives.

Vanya Veras agreed with Röling and Neitsch, supporting the idea that modular fees should be additional. In an optic of negotiating modular fees criteria, Veras reiterated the option of combining volume, weight and number of items sold. Non-recyclable materials should as well be subject to higher fees. Moreover, she proposed introducing market restrictions to reduce overconsumption of items with high environmental costs. For instance, the EU has been preventing hazardous items, such as laughing gas canisters, from entering the Single Market. Similar initiatives, could be implemented for high-volume and low-quality textiles. Veras agreed as well on the lack of effectiveness of EPR as a prevention method.

Mariska Boer is on the same page as the previous speaker. She reiterated the need of an effective implementation of tools such as modular fees, as well as restrictions through higher import fees for high-volume low-quality textiles.

Q: Do you agree that reuse should be part of how EPR fees are allocated? At present, circular economy models struggle to remain viable, as they compete with fast fashion. A large volume of clothing is neither reused nor repaired, because it is often cheaper to buy new items. EPR is one of the most effective measures available to address this issue.

Mariska Boer agreed on the need of additional funding for collection and sorting, but as a temporary measure. In fact, the reuse market is facing structural problems that cannot be resolved through funding. One of them being the huge amount of fast fashion items on the market, that are not suitable for reuse.

Q: regarding the unprecedented crises that the textile industry is facing, what are the urgent measures to be implemented before the EPR schemes in the EU?

Vanya Veras stated that the Commission should set up funds, from InvestEU for instance, to support the separate collection and treatment system that is already in place. Creating an emergency fund would cover the recycling costs before the implementation of EPRs and provide capacities for investment in additional sorting plants. The WFD states that EPR will not cover the waste previous to the date of obligatory implementation of separate collection. Separate collection is mandatory from the 1st of January 2025, however, in the majority of the member states, the EPR will not be in place until 2030. Consequently, all investment done between 2025 and 2030 will not be covered by EPRs. For this reason, emergency funding is necessary.

Matthias Neitsch argued that the gap between the mandatory collection of textiles and the implementation of EPR will be harmful for the future of circular economy. For this reason, the obligation to collect textiles should be postponed, according to him. He noted that this time gap would cause the collection of a huge amount of items that will have no place on the market and consequently would be incinerated. This is already happening for items that are supposed to be reused overseas and harms the citizens' trust and motivation to participate in the circular economy.

Andreas Brieger stressed the importance of finalising the WFD revision, and making sure that micro enterprises are included in it. The Ecodesign represents as well a crucial initiative for the textile industry, however it is key that there is coherence among different sustainable textile legislations. Moreover, it should be noted that simplification does not mean deregulation, instead, it means making initiatives more accessible to SMEs. Finally, SMEs also need stability planning to be aware of the direction of EU legislation.

Q: If we invest in recycling technology, aren't we essentially creating a new market dynamic, channelling materials toward recycling companies and enabling them to recover the costs required to cover the fees?

Mariska Boer noted that recycling companies require a functioning market in order to thrive. While support to help them scale up could be beneficial, the goal is not to create artificially sustained businesses, but rather to foster economically viable business models. For this reason, producers should be encouraged to incorporate recycled textile content into their textile products. Ideally, the industry will move forward on its own, but the involvement of major players is essential.

Rasmus Nordqvist insisted that we have to look to a completely new business, that is why new players are needed on the market. Regarding the idea of postponing the date for mandatory collection, Nordqvist argued that it would be a mistake. According to him, in order to gain valuable resources for fibre recycling, the volume of items to be recycled should increase significantly. It is observed that it takes time to build up volume. Help is needed for sorting companies to scale up and innovate, for instance, to develop new technologies that make fibre recognition more efficient.

Vanya Veras reported that many sorting plants have already closed down due to lack of resources. Hence why she disagreed with the idea of delaying the obligation to collect. Moreover, many member states have already started informing their citizens about separate collection. It is important that sorting plants, that have recently ceased their activity, are able to reopen and rehire their staff. To reach this goal, funding is needed. However, according to Veras, it is crucial that those funds prioritize reuse and the development of new recycling technologies, particularly for natural fibres. It is also argued that a penalty for companies that define as recycling the transformation of PET from packaging to fibre, should be introduced. To sum up, funding should be addressed to local sorting plants and would contribute to the creation of employment. Nevertheless, the EU must ensure that such funding is adequate for the sector, as funding programs sometimes remain on paper because the necessary amount is overestimated.

Q: How do the panellists view the exceptions and otherwise favourable conditions for social enterprises that are currently part of the consultation for the WFD revision?

Matthias Neitsch stated that it is crucial that municipalities and social enterprises are given priority, since they are non-profit. What is considered an exception, should actually be the norm to create an inclusive system.

Vanya Veras agreed on the importance of introducing this new approach, which includes municipalities and social enterprises. Previously, only producers were included in the design of EPRs, which resulted in the creation of systems, whose main purpose was keeping costs as low as possible.

Janine Röling emphasized that the inclusion of municipalities and social enterprises contributes to the creation of new employment. She also insisted on involving municipalities to avoid PRO monopolies.

Vanya Veras replied stating that the existence of just one PRO, operating in each country, is not inherently negative. For instance, in Belgium, there is just one PRO for packaging. This PRO acts as a mediator for its members and the municipalities, and this system is really efficient. However, in the Netherlands, the existence of one PRO is not effective. She stated that PRO should be non-profit and that a system with just one PRO would be more transparent. If a system with multiple PRO is created, they should be all non-profit and coordinated by a national body.

Janine Röling concluded the exchange by reminding that it is essential to set a framework in which minimum requirements are set. Such requirements should include non-profit PROs and efficient fund management, to grant transparency.



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