UNECE - ECLAC

Making trade work for circularity

Improving circularity in second-hand clothing through trade regulation

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Making trade work for circularity: improving circularity in second-hand clothing through trade regulation
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Foreword

The global trade in second-hand clothing presents both opportunities and challenges for exporting and importing countries. On the one hand, it can create jobs, improve affordability and extend the life of garments that might otherwise be discarded. On the other hand, it exposes stark imbalances in the global textile economy, where the surplus of low-quality fast fashion in consumer markets often becomes an environmental burden for producer countries, with textile waste disproportionately flowing to regions less equipped to manage it.

The United Nations Economic Commission for Europe (UNECE) and the Economic Commission for Latin America and the Caribbean (ECLAC), with financial support from the European Union, prepared this joint study to better understand and leverage the opportunities resulting from these trends. It explores how international trade flows can be better aligned with circular economy principles, ensuring that used textiles retain value rather than becoming global waste, and highlights a critical, yet often overlooked, policy instrument: technical regulations. When well designed and effectively applied, such regulations can help governments to limit the inflow of low-value textile waste, incentivize higher-quality sorting practices in exporting countries and support broader domestic goals related to environmental protection, public health, competitiveness and sustainable industrial development.

This joint study outlines not only the legal and procedural requirements of technical regulations in accordance with World Trade Organization rules, but also the broader enabling conditions, such as traceability standards, extended producer responsibility, harmonized trade classifications and digital labelling systems. It builds on the normative instruments developed by the United Nations Centre for Trade Facilitation and Electronic Business, including Recommendations Nos. 46 and 49, which offer guidance for garment supply chain traceability and interoperable sustainability data exchange and governance.

This joint study further provides an evidence-based framework to support both governments and the industry, and offers a timely and relevant contribution to support Member States in navigating the complex challenges associated with trade in used clothing. With new regional and national policies and initiatives driving momentum towards the circular transition, governments are increasingly well positioned to take meaningful action on circular textiles. Achieving success, however, requires coordinated efforts to ensure that trade remains fair, inclusive and aligned with the Sustainable Development Goals. Stronger international cooperation, coupled with technology transfer and financial support, will be essential, particularly for developing countries that continue to face significant capacity and infrastructure gaps.

Trade can, and must, be a driver of the circular transition. This study provides practical insights into making this vision a reality, showing well-regulated trade not as a barrier, but rather as a catalyst for a global second-hand clothing market that is sustainable, inclusive, competitive and transparent.

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Definition of second-hand clothes

In this report, clothing traded between countries under the Harmonised System (HS) codes 6309 (worn textiles and clothing – used for textiles fit for reuse) is referred to as "second-hand clothing". This reflects the reality that some clothing exported to developing countries is used and fit for reuse, some is unused (e.g. excess stock), and some is used but unfit for reuse, either in the importing country in particular (e.g. because, for instance, it is unsuitable for the climatic conditions there) or in general, because it is in too poor a state.

Definition of a technical regulation:

According to the World Trade Organization (WTO) Agreement on Technical Barriers to Trade (TBT), a technical regulation is a mandatory document that specifies product characteristics, or related processes and production methods, with which compliance is required. These regulations are typically established to protect public interests and can cover aspects such as product composition, packaging, and manufacturing, as well as conformity assessment procedures. Technical regulations are mostly created and implemented at the national or regional level.

Executive Summary

Building on the 2024 UNECE–ECLAC report Reversing direction in the used clothing crisis, this study explores design options for trade-related technical regulations that promote sustainability in the global trade of used textiles while remaining consistent with WTO rules and other international obligations. In WTO terminology, a technical regulation is a mandatory document that specifies product characteristics or related production methods with which compliance is required, typically established to protect public interests such as health, safety, or the environment.

International trade can enable a circular economy for textiles by matching supply and demand for re-wearable clothing. Today, however, the system is distorted: ultra-fast fashion has driven volumes up and quality down; exporting countries struggle to separate rewearable items from waste; and importing countries face environmental, health and enforcement burdens. This study outlines a practical path to correct these distortions by designing technical regulations - grounded in WTO rules and aligned with international standards - that raise the quality of traded used clothing and reduce the flow of textile waste.

Main findings

Trade's circularity promise is undercut by quality collapse.

Fast and ultra-fast fashion accelerate turnover, increase synthetic blends, and shorten lifespans. The result: booming cross-border flows of used clothing, but with low reuse/recycling potential and high downstream burdens for importing countries.

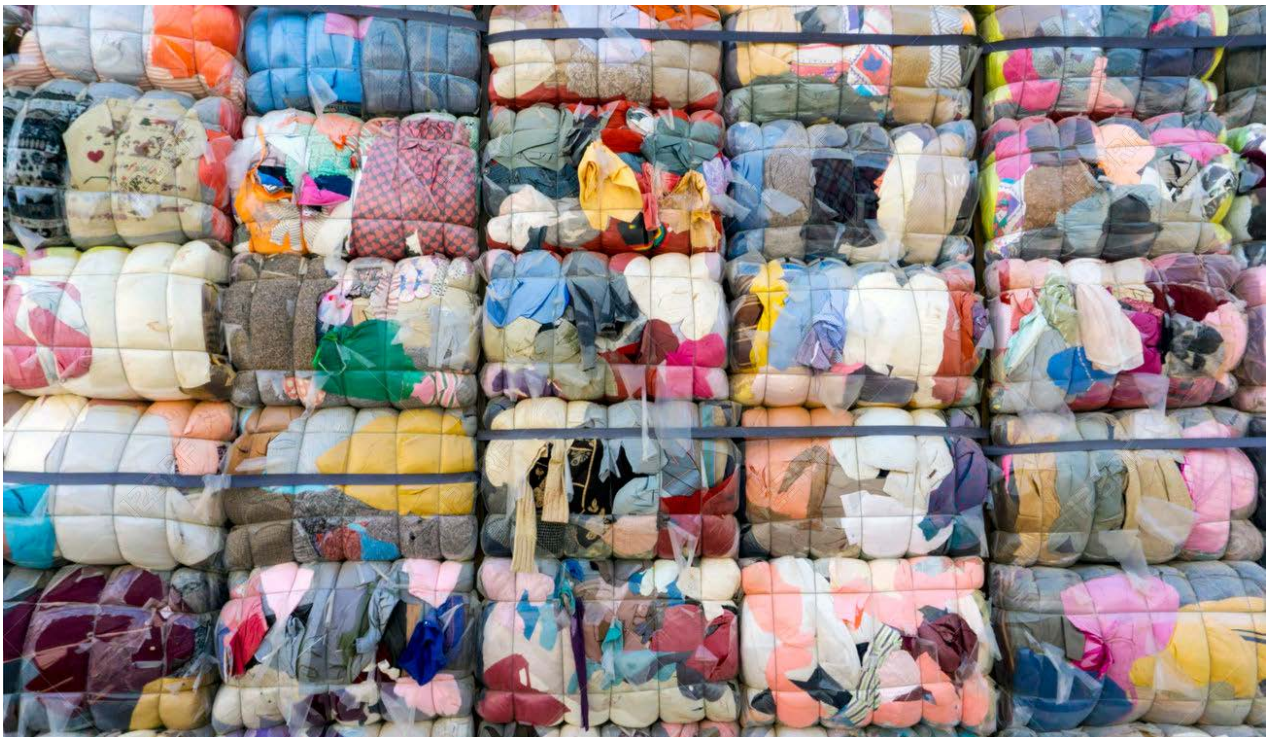
Current policy levers are misaligned or underused.

- ↘ Blanket bans or quantitative restrictions often conflict with WTO rules, are difficult to enforce via HS codes, and suppress high-quality flows alongside waste.
- ↘ Tariffs rarely bite enough to filter out low-quality goods unless set prohibitively high; small ad-valorem increases per garment don't alter composition.
- ↘ Labelling requirements or digital product passports (DPPs) can help when garments are designed for durability and recyclability, but bale-level trade needs standardized classification and digital labelling to be effective.

Exporters face weak economics and technical hurdles.

Collection rates are rising, but sorters face cost/revenue squeezes; manual sorting dominates; (semi-)automation exists but isn't yet scaled; and less than 1% of textiles are recycled into new textiles.

A window of opportunity exists.



Momentum spans multiple regulatory and policy fronts:

- European Union (EU) measures such as the Waste Shipment Regulation (restricting exports of textile waste to non-OECD countries by 2027) and the Ecodesign for Sustainable Products Regulation (ESPR) (setting durability and recyclability standards).
- Chile's Draft Circular Economy Strategy for Textiles (2024) proposing an extended producer responsibility (EPR) scheme and national classification standards.
- Ghana's efforts to link EPR and trade policy, including the proposal of a Global Plastic Pollution Fee to help developing countries manage imported waste.
- The UNEP Circularity and Used Textile Trade Project, developing global criteria to distinguish reusable textiles from waste.
- The WTO's Trade and Environmental Sustainability Structured Discussions (TESSD) and ISO workstreams creating international standards for circular economy and trade in second-hand goods.
- Advances in (semi-)automated textile sorting and growing pressure from NGOs and consumers to reduce the impacts of ultra-fast fashion.

Recommendations

1. Adopt WTO-consistent technical regulations that prioritize quality over quantity

- Use international standards as a basis (TBT Art. 2.4) and meet core principles: non-discrimination, least trade-restrictive design, and transparency/notification.

- Define clearly: "used textiles," "textile waste," and classification grades; prohibit imports of unsorted textiles and textile waste (with return-to-origin obligations).
- Require pre-export sorting and declaration against a recognized technical standard; mandate bale-level digital labelling specifying content, quality grade, and reuse/recycle potential.
- Register importers and require guarantees to finance the return of misdeclared waste; discourage bundled sales that hide waste within rewearable bales.
- Enable customs supervision with simple, auditable procedures and risk-based controls.

In designing such measures, policymakers must also account for related WTO frameworks, notably the General Agreement on Tariffs and Trade (GATT), the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS), and the Agreement on Import Licensing Procedures, as well as relevant Free Trade Agreements (FTAs) that include chapters on Technical Barriers to Trade and Trade and Sustainable Development.

2. Strengthen the normative and digital backbone via UN/CEFACT

- Leverage UN/CEFACT Recommendations No. 46 and No. 49 to define classification procedures, data models, digital certificates and interoperable exchange protocols within the regulation.
- Utilize the UN/CEFACT standards setting process to co-develop technology-neutral, non-proprietary labelling and data requirements through an inclusive and transparent participatory model engaging both exporters and importers.

3. Align multilateral and customs frameworks

- Engage Basel Convention processes to clarify the treatment of textile waste (especially synthetic/plastic fibres) and coordinate with the World Customs Organization (WCO).
- Propose HS code revisions during the next WCO review cycle to distinguish used-textile categories, create codes for recycled and upcycled content, and reduce ambiguities that hinder enforcement.
- Strengthen the capacity of customs agencies to implement these measures through updated codes, digital documentation, and automated inspection systems.

4. Make the economics work across borders

- Design extended producer responsibility (EPR) schemes, both within and beyond the EU, to share financing internationally, ensuring funds also support collection, sorting, reuse and recycling in importing countries; explore global fee mechanisms to internalize the environmental cost of textile exports.

- Couple EPR schemes with the scale-up of (semi-)automated sorting, linking producer contributions to measurable outcomes such as verified quality, purity, and traceability data.

5. Complement with demand-side and integrity measures

- Conduct awareness campaigns to shift consumption towards slow fashion (buy fewer and better, rent, share, and repair).
- Enforce legislation and verification mechanisms (e.g., EU Green Claims Directive, Chile's verifiable green claims under its circular economy strategy) to ensure marketing claims reflect actual sustainability performance.

Managing risks

- To avoid inconsistencies with WTO rules and ensure practical enforceability, governments should:
- Ensure non-discriminatory design; avoid over-restrictiveness; base measures on (or explain departures from) international standards; and notify and consult transparently through the WTO TBT process.
- Define scope and terminology precisely and align measures with SPS/GATT requirements where relevant.
- Apply good regulatory practice, including impact assessments, stakeholder consultations and pilot testing, to improve both legal defensibility and operational effectiveness.

Conclusion

International trade is not inherently the problem; it is an essential component of a global circular economy in textiles, which should be characterized by profitable domestic and cross-border flows of new and used clothing and their related materials. The challenge lies in ensuring that these flows are of the appropriate quantity and quality, a shift from viewing used clothes as waste to recognizing them as products of value.

Technical regulations are not a silver bullet; reversing ultra-fast fashion's linear model is essential but they can raise the quality of traded used clothing, reduce waste shipments, and incentivize better production, sorting and reuse systems. If crafted to WTO norms, anchored in international standards, and supported by interoperable traceability frameworks such as UN/CEFACT Recommendations 46 and 49 and the UN Transparency Protocol (UNTP), technical regulations can become a key enabler of circularity.

With policy momentum, improving technology, and growing civic and consumer demand, countries can take coordinated steps, domestically, bilaterally and multilaterally, to make trade work for circularity.

Introduction

Images of textile dumps in places like Chile's Atacama Desert and along Ghana's beaches vividly illustrate the environmental damage and health risks faced by local communities in importing countries. These sites stand as stark reminders of the ills of international trade, where developed nations export massive volumes of second-hand clothing, much of it shaped by the global ultra-fast-fashion industry, increasingly defined by low quality and rapid turnover.

However, international trade itself is not the problem. In fact, it is an essential part of a global, circular economy[1] in textiles, one that should be characterized by profitable domestic and cross-border flows of new and used clothing, as well as their related materials. The key challenge is to ensure that these flows are of the appropriate quantity and quality, which requires a shift in mindset from waste disposal to the circulation of products of value.

1 UNECE describes the circular economy as "a new and inclusive economic paradigm that aims to minimize pollution and waste, extend product life cycles, and enable broad sharing of physical and natural assets." See https://unece.org/trade/CircularEconomy.

Chapter I.

The role of international trade in improving textile circularity is currently distorted

When used textile products retain value and are circulated, including across borders, international trade plays a critical role in linking supply and demand. Yet currently, these flows are out of balance, shaped by a combination of factors such as overly lax or restrictive regulations imposed by importing countries, wasteful clothing use patterns, low collection rates, underdeveloped and costly sorting and recycling practices in exporting countries, and, more generally, the growing prevalence of low-quality clothing with low circularity potential. While these factors are often observed together and contribute to the current distortions, the precise causal relationships among them can vary by context and may reflect both correlation and mutual reinforcement. This chapter examines these challenges in greater detail, highlighting the key barriers to more effective, sustainable and circular trade in used clothing.

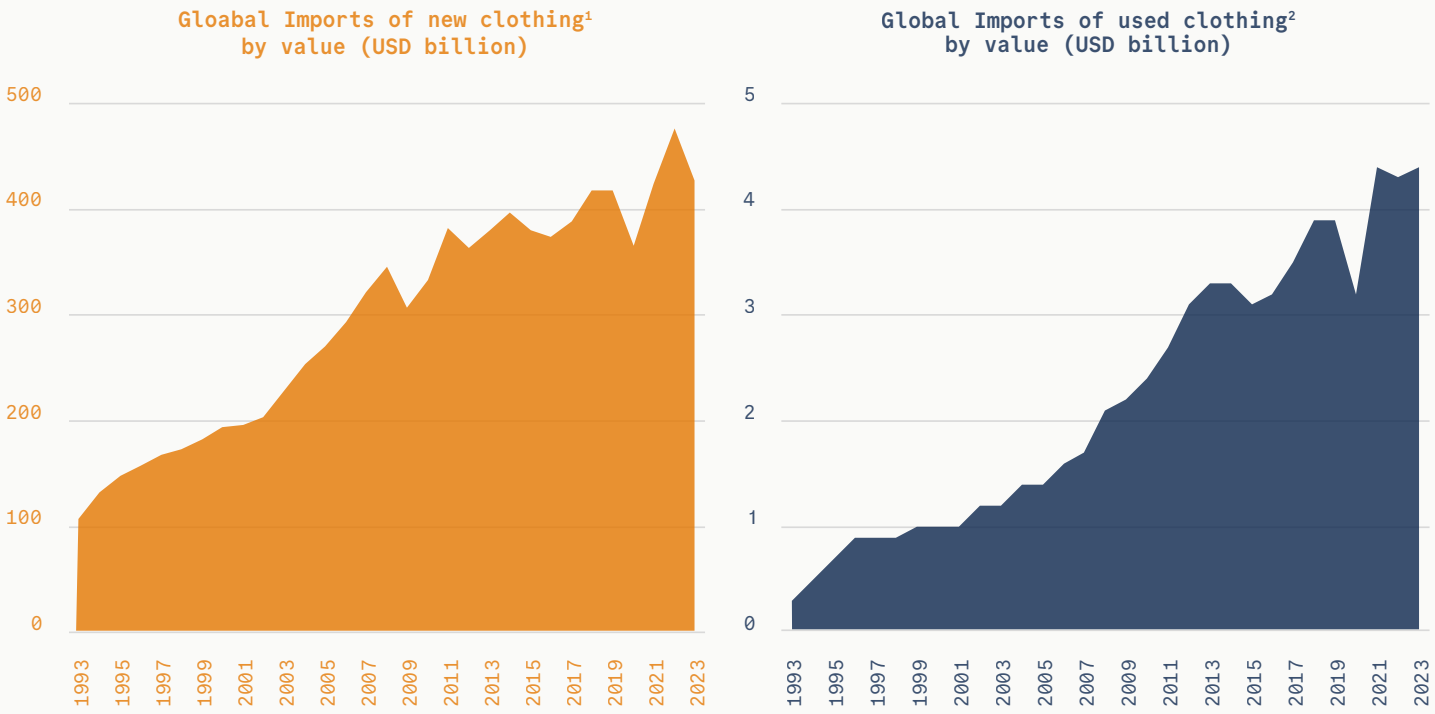
While trade can link used clothing supply and demand, fast fashion has reduced the quality of that clothing

The rise of fast and ultra-fast fashion in recent decades has significantly increased global garment production, often at the expense of quality. Ultra-fast fashion is characterized by rapid turnover of styles and facilitated by the widespread use of low-cost synthetic fibres and trade liberalization, which has enabled the offshoring of production to low-wage countries.[2] This dynamic is reflected in global trade trends: the value of new clothing imports grew fivefold between 1993 and 2023 according to UN Comtrade data (see Figure 1). A large proportion of these fashion items is made from difficult-to-separate, blended synthetic fibres, reducing opportunities for economic reuse and recycling. A further factor in waste generation is customers returning items bought online if they do not fit, 22-44% of which never reach a new customer and are destroyed.[3]

2 See European Parliament briefing note "Textile workers in developing countries and the European fashion industry: Towards sustainability?" (2020)
Available at https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/652025/EPRS_BRI(2020)652025_EN.pdf.

3 Roichman, R., et al. "The convenience economy: Product flows and GHG emissions of returned apparel in the EU," *Resources, Conservation and Recycling, v.210, (November 2024).*

As clothing lifespans shrink and discarded garments pile up, the global trade in second-hand clothing has surged. Despite setbacks from the COVID-19 pandemic and ongoing geopolitical and commercial tensions, this market has expanded rapidly, with import values skyrocketing - more than 13 times higher in 2023 than in 1993 (see Figure 1). The European Union (EU), United States of America, and China are among the leading exporters while Pakistan, the United Arab Emirates, Guatemala, and Kenya rank among the largest importers.[4] This trade has led to substantial environmental impacts, particularly in developing countries.



1 HS codes 62 and 63 (Articles of apparel and clothing accessories, both knitted or crocheted and not knitted or crocheted)
2 HS code 6309 (Worn clothing and other worn articles)

Source: UN Comtrade

Figure 1. The value of trade in new and used clothing has increased quickly over the last 30 years
Source: *Source: UNECE, 2025, from data obtained via UN Comtrade database.*[5]

4 See Observatory of Economic Complexity, "Used Clothing" database
Available at https://oec.world/en/profile/hs/used-clothing?utm (accessed on 20 June 2025). See also World Integrated Trade Solution (WITS) "Worn clothing and other worn articles imports by country in 2023." database
Available at: https://wits.worldbank.org/trade/comtrade/en/country/ALL/year/2023/tradeflow/Imports/partner/WLD/product/630900?utm (accessed on 20 June 2025).

5 UN Comtrade database
Available at https://comtradeplus.un.org/.

The underutilization of trade mechanisms is constraining the circularity potential of clothing

Bans and import restrictions can conflict with World Trade Organization trade rules and be difficult to enforce

Some countries impose a blanket or partial ban on the import of used clothing through laws, decrees, regulations or administrative orders related to customs, imports or international trade. Countries with blanket bans include Algeria, the Plurinational State of Bolivia, China, Ecuador, Indonesia, Paraguay, the Philippines, Sudan and Vietnam. Others, such as Brazil and Peru, prohibit imports for commercial purposes but allow exceptions for humanitarian donations. Some countries restrict only certain categories of used textiles. For instance, Kenya bans the import of used hospital wear, undergarments, specific types of nightwear and used bath towels, while Costa Rica bans the import of used footwear and intimate apparel.

The reasons for these bans vary and include concerns over environmental pollution (e.g. China), public health and sanitation (e.g. Algeria, Argentina, the Plurinational State of Bolivia, Kenya, the Philippines and the United Republic of Tanzania), or the protection of domestic textile producers.

Besides outright bans, some countries apply import restrictions to used clothing using methods like non-automatic licensing[6] or quantitative restrictions. Georgia, for instance, has implemented a non-automatic licensing scheme for the import of non-hazardous waste, which appears to include used clothing. Countries such as China, Mexico, the Republic of Korea and Switzerland have also introduced quantitative restrictions on the import and/or export of waste, which in some cases affect worn clothing and related articles. These measures are often justified on environmental and health grounds.

The effectiveness of bans or quantitative restrictions on the import of second-hand clothing may seem questionable for two main reasons. First, most countries are members of the WTO and are therefore bound by the provisions of the General Agreement on Tariffs and Trade GATT. Article XI of the GATT prohibits bans or quantitative restrictions on imports of any kind of goods, meaning that, in principle, such measures would be in violation of this provision. Although Article XX of the GATT allows exceptions - necessary to protect public morals; necessary to protect human, plant or animal life or health; and relating to the conservation of exhaustible natural resources, among others - it notably does not include protection of domestic production.[7] Moreover, the burden to prove such an exception lies with the country imposing the measure. Even then, the measure must also meet the additional requirements under the "chapeau" of Article XX. For example, it cannot be applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, nor serve as a disguised restriction on international trade. Historically, the success rate of countries claiming protection under Article XX (for example, to

6 Non-automatic import licensing is defined by the WTO as licensing not falling within the definition of automatic import licensing (where approval of the application is granted in all cases) and is used to administer trade restrictions such as quantitative restrictions justified within the WTO legal framework.

7 For the full list of exceptions, see GATT, Article XX, "General Exceptions. Available at https://www.wto.org/english/res_e/booksp_e/gatt_ai_e/art20_e.pdf.

protect the environment or human health) has been notoriously low.[8] Second, most bans, if they specify Harmonized System (HS) codes, target goods classified under HS 6309 and 6310.[9] However, enforcing such a ban requires the clear and precise classification of goods. In the absence of strict enforcement of this classification, importers can circumvent the ban deliberately by misclassifying goods under other HS codes. Given the institutional capacity constraints of many countries that have implemented such bans, there is reason to question whether their customs agencies can consistently and effectively enforce them.

In practice, even though bans and quantitative restrictions fully or partially restrict trade in both textile waste and high-quality garments, they often go unchallenged by WTO members. This may be due to potential complainants believing that the measure would be upheld as necessary for protecting public health or the environment, or due to a lack of confidence on the part of a would-be complainant regarding whether their own treatment of used clothing conforms to WTO rules. Nonetheless, these bans remain open to challenge under WTO rules and can trigger other actions by trading partners. For instance, the 2016 East African Community (EAC) decision to ban imports of used clothing and footwear triggered an out-of-cycle review of the eligibility of Rwanda, Tanzania, and Uganda to receive benefits under the United States African Growth and Opportunity Act (AGOA).[10] As a result, Rwanda's AGOA apparel benefits have been suspended since 31 July 2018,[11] and Uganda has since been removed from the list of AGOA-eligible countries.[12]

Tariffs, unless very high, are likely to be ineffective at reducing the import of textile waste

Multiple countries have imposed high tariff rates on textile waste (HS code 6310A). For example, the Bahamas maintains a 40% tariff, while Brazil, Indonesia, Namibia, Nigeria, Paraguay, and South Africa set lower rates ranging from 20% to 35%. Tariffs on worn clothing (HS 6309) are generally lower on average, but many countries still impose elevated rates, for instance Bangladesh with 25%, Indonesia with 35%, and Iraq with 20%. A WTO Trade

8 Van den Bossche, P., Zdouc, W. *The Law and Policy of the World Trade Organization: Text, Cases, and Materials 5th ed. (Cambridge, Cambridge University Press, 2021).*

9 The Law Library of Congress, "Textile Waste Bans in Selected Countries" (October 2024)
Available at https://tile.loc.gov/storage-services/service/ll/llglrd/2024555214/2024555214.pdf.

10 Office of the United States Trade Representatives (USTR), "USTR Announces AGOA Out-of-Cycle Review for Rwanda, Tanzania, and Uganda", 20 June 2017
Available at https://ustr.gov/about-us/policy-offices/press-office/press-releases/2017/june/ustr-announces-agoa-out-cycle-review.

11 USTR, "President Donald J. Trump Upholds AGOA Trade Preference Eligibility Criteria with Rwanda", 30 July 2018
Available at https://ustr.gov/about-us/policy-offices/press-office/press-releases/2018/july/president-donald-j-trump-upholds-agoa.

12 USTR, "AGOA Eligible and Ineligible Countries–2024"
Available at https://ustr.gov/sites/default/files/2024%20List%20of%20AGOA%20Eligible%20and%20Ineligible%20Countries%2011162023.pdf.

Policy Review of the 2018 EAC tariff schedule highlighted that used clothing was included in the list of products considered sensitive, particularly in relation to promoting local productive capacities and environmental considerations.[13]

While tariffs could, in theory, improve the quality of used clothing by making it economically viable to import only higher-value items, the actual increase in price for bales is unlikely to be sufficient to discourage low-quality items, unless tariff rates are very high. For example, Chile applies a combined tariff of 9% on used goods, including worn clothing. The cost of a 36kg bale of used clothes ranges from approximately $24 to $200, depending on its quality and degree of pre-sorting. For a $24 bale, which typically contains around 120 T-shirts, a 9% tariff would add only $0.02 per item. Even in the Bahamas, where the tariff is 40%, the cost increase would only amount to $0.08 per item. Price increases of second-hand clothes originating in exporting countries, such as those caused by stricter sorting requirements, would more effectively improve quality, as they directly influence the composition of exported goods. However, whether these additional costs are absorbed by exporters or passed on to importers will depend on market dynamics, including the relative bargaining power of companies involved in the trade.

Labelling standards and digital passports have a limited effect on the quality of used clothing

Labelling of individual garments, which can include care instructions and fibre composition, is often irrelevant in the second-hand clothing trade, especially when items are sold in bales. However, regulations that require the labelling of those bales do pertain directly to trade and could be useful. Such labelling can include information on the type of garment, its quality and/or state of repair, and its potential for reuse or recycling. This forms the final stage of the sorting and classification process of used textiles if clear and precise information about the textiles contained within is attached to each bale, either physically or digitally.

In practice, the use of such labelling requirements is rare. While two examples are worth noting, their practical applicability remains unclear. The first is a draft standard, entitled *Textiles - Requirements for Inspection and Acceptance of Used Textile Products of the East African Community States (Burundi, Kenya, Rwanda, Tanzania and Uganda), which contains standards for proper labelling and the extent of required sampling per bale of used clothing. The second is a notification to the WTO by the Republic of Côte d'Ivoire of the mandatory application of specific standards regarding care labelling in connection with the relevant international standard (ISO 3758) and pursuant to the requirements of the WTO Agreement on Technical Barriers to Trade (TBT Agreement).*[14]

13 In this context, sensitive products are goods that receive higher tariff protection, have strategic economic or social importance, and/or require coordinated regional management. See WTO report "Trade Policy Review of the East African Community" (WT/TPR/S/384) (13 February 2019)
Available at https://www.wto.org/english/tratop_e/tpr_e/s384_e.pdf.

14 The WTO notification i
Available at https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?Query=%40Symbol-%3dG%2fTBT%2fN%2fCIV%2f7&Language=ENGLISH&Context=QuerySearch&btsType=&languageUIChanged=true#.

A digital product passport (DPP) for clothing provides each item with a unique identifier that contains data concerning its components, materials, dyes and other chemicals, as well as its repairability, recyclability and replacement parts. DPP systems, including online platforms, make this information available to actors along the value chain, as well as consumers and authorities, with the aim of enhancing the traceability, transparency and circularity of clothing.[15] DPPs for apparel are being rolled out in the EU as part of the *Ecodesign for Sustainable Products Regulation (ESPR)*.[16] DPPs have the potential to support greater circularity in clothing, especially when combined with requirements to design products for durability and recyclability, and with systems that enable their circulation after use. They can also facilitate a product's management along its life cycle, including in secondary markets, by providing information on how a product can be safely managed, recycled or disposed.[17] But for clothes that are not designed for durability and recyclability, there is little evidence that DPPs could directly improve the quality of the clothes in the bales.

Exporting countries often find textile sorting uneconomic or technically challenging

Many exporting countries struggle to separate medium-quality used clothes fit for circularity from waste textiles and end up exporting both to developing countries in mixed bundles. Such countries also often have low collection rates. In Europe, for example, only around a quarter of disposed textiles are collected separately for reuse and recycling, although this proportion is increasing rapidly due to EU legislation on the collection of separate textile waste.[18] They are then primarily transported to sorting hubs in Germany, the Kingdom of the Netherlands, Poland, and the United Kingdom of Great Britain and Northern Island (UK).[19] Some developing countries, like Pakistan, import unsorted used textiles as a business model where these items are sorted in the country, then re-exported for a premium price.

In these sorting hubs, most garments are still manually sorted, reflecting slow advancements in fibre separation and recycling technology, with limited deployment of semi-automated sorting technologies to date. The manual sorting results in a range of categories. The highest quality clothing is typically resold within Europe through various channels (approximately 10% of total volumes). Lower grade but rewearable items are destined for export (approxi-

15 European Parliament, "Digital product passport for the textile sector" (June 2024)
Available at https://www.europarl.europa.eu/RegData/etudes/STUD/2024/757808/EPRS_STU(2024)757808_EN.pdf.

16 See European Commission, "Commission rolls out plan to boost circular and efficient products in the EU", 16 April 2025
Available at https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1071.

17 See WTO TESSD, "Mapping Exercise: Trade and trade policy aspects along the lifecycle of products" (2023)
Available at https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/INF/TESSD/W27.pdf&Open=True.

18 See European Environment Agency, "Management of used and waste textiles in Europe's circular economy" briefing, 10 June 2024
Available at https://www.eea.europa.eu/publications/management-of-used-and-waste-textiles.

19 UNECE, ECLAC report. *Reversing direction in the used clothing crisis.*

mately 40% of total volumes). About 25% of the material is downcycled for use as insulation, filling (e.g. for mattresses or furniture), or single-use industrial wipes,[20] while less than 1% is recycled into new clothing.[21]

While the EU adopted a comprehensive circular economy approach to textiles, for example through the *EU Strategy for Sustainable and Circular Textiles* that proposes a mandatory extended producer responsibility (EPR) scheme under the Waste Framework Directive, and the introduction of DPPs through the ESPR, these remain long-term policy frameworks that have yet to significantly transform the sorting industry.[22]

To compound the challenge, the economics of the sorting industry have recently deteriorated. Since 2024, industry actors report that prices for sorted second-hand garments no longer cover processing costs, leading to cash flow pressures and, in some cases, the risk of bankruptcy for sorters. This is particularly problematic because the money earned from selling high-quality, rewearable clothing has traditionally helped cover the costs of handling lower-value items that are harder to resell or recycle. Now, with lower resale prices and higher operating costs, that financial balance has been disrupted. Factors including geopolitical tensions and logistical challenges have led to an oversupply of used textiles and reduced demand from export markets, resulting in price declines amid rising costs of collection, sorting and recycling.[23] The crisis in Europe's textile reuse and recycling sector has worsened with the implementation of the *EU Waste Framework Directive*, which mandates separate textile collection. However, this directive came into force before EPR schemes were adopted to finance the necessary sorting and recycling infrastructure. As a result, sorters are required to handle growing volumes of used textiles without adequate funding, making it financially difficult to process low-value items and invest in recycling technologies. This policy gap has intensified economic strain across the sector.

20 Compiled from Circle Economy, Fashion for Good, *Sorting for Circularity Europe (2022)*
Available at https://refashion.fr/eco-design/sites/default/files/fichiers/Sorting-for-Circularity-Europe_Fashion-for-Good.pdf.

21 Ellen MacArthur Foundation, *A New Textiles Economy: Redesigning fashion's future (2017)*
Available at https://www.ellenmacarthurfoundation.org/a-new-textiles-economy.

22 See European Environment Bureau, "Circular textiles policy review: Considerations for EU trading partner countries" (December 2024)
Available at https://eeb.org/wp-content/uploads/2024/12/Circular-textiles-policy-review_December-2024.pdf.

23 See Recycling Magazine, "Crisis in Europe's textiles sorting and recycling sector could trigger a domino effect" 21 October 2024
Available at https://www.recycling-magazine.com/2024/10/21/crisis-in-europes-textiles-sorting-and-recycling-sector-could-trigger-a-domino-effect/; See also and EuRIC, "Europe's textiles sorting industry in crisis; urgent EU action needed", 15 April 2024
Available at https://euric.org/resource-hub/press-releases-statements/europes-textiles-sorting-industry-in-crisis-urgent-eu-action-needed


1-A03
1-A02

Chapter II.

A window of opportunity to design a technical regulation to make trade work for circularity

While international trade has yet to maximize the circularity of high-quality used clothing, current conditions are supportive of countries who want to develop a technical regulation to improve the situation. According to the *WTO Agreement on Technical Barriers to Trade (TBT)*, a technical regulation is a mandatory document that specifies product characteristics, or related processes and production methods, with which compliance is required. These regulations are typically established to protect public interests and can cover aspects such as product composition, packaging, and manufacturing, as well as conformity assessment procedures.[24] Technical regulations are mostly created and implemented at the national level – often in the form of technical requirements specifying product characteristics or their related processes and production methods, terminology, symbols, packaging, marking or labelling requirements – or at the regional level, with the *European Union's Waste Framework Directive* and *Waste Shipment Regulation* serving as examples. As this study will argue, national and regional technical trade regulations are most effective if guided by and designed in conformity with international standards, requirements, criteria and trade rules. Additionally, under Article 2.4 of the TBT Agreement, where relevant international standards exist or their completion is imminent, members shall use them as a basis for their technical regulations except when they would be an ineffective or inappropriate means for the fulfilment of the legitimate objectives pursued.

In this context, this chapter outlines the enabling conditions that create a window of opportunity for the development of a technical regulation. These include regulatory authorities restricting trade in waste textiles, international bodies developing relevant international standards, trade agreements being reached that allow countries to regulate textile trade, industry making technological progress in textile sorting, civil society exerting pressure to reduce the export of textile waste, and consumers demanding more sustainable clothing.

24 WTO, "Agreement on Technical Barriers to Trade. Available at https://www.wto.org/english/res_e/publications_e/ai17_e/tbt_art10_oth.pdf.

Momentum to increase the quality of traded used clothes is considerable

Key exporting countries are considering introducing export restrictions on textile waste

Some major export markets are beginning to introduce measures aimed at restricting the export of textile waste. For example, the *EU Waste Shipment Regulation*, which came into force in 2024 as part of the *EU Strategy for Sustainable and Circular Textiles*, seeks to restrict the export of textile waste by strengthening rules on the export of non-hazardous waste to non-OECD countries (starting in 2027) and increasing actions against illegal waste shipments.[25]

A second key measure under the EU strategy is specifically designed to enhance the quality of garments. The ESPR, which was adopted in 2024, requires garments, among other products, to conform to standards on circularity, energy performance, recyclability and durability. Over time, this is expected to enhance the overall quality and reuse potential of garments.[26]

While other major export markets such as the United States and Canada have yet to pass similar legislation, both countries are increasingly addressing the issue of textile waste from the exporter's perspective. In Canada, for example, a bill has been introduced in Parliament calling for a national strategy to reduce textile waste, with measures that promote reuse, repair and recycling.[27] In the US, a Government Accountability Office report, published in December 2024, warned of the negative environmental impact caused by fast fashion and textile waste. Notably, the report advised Congress to "consider providing direction and expressly delegate authority to a federal entity (or entities) to take coordinated federal action to reduce textile waste and advance textile recycling."[28]

Additionally, the United Nations Environment Programme (UNEP) is working on international guidelines to support the transition to sustainable and circular global textile value chains. This project includes the development of criteria to determine whether products can be classified as used textiles and to clearly distinguish them from textile waste (see Box 1).

25 European Commission, "Waste shipments: EU rules on the shipment of waste within and beyond EU borders, to protect the environment and public health.
Available at https://environment.ec.europa.eu/topics/waste-and-recycling/waste-shipments_en.

26 European Commission, "Ecodesign for Sustainable Products Regulation.
Available at https://commission.europa.eu/energy-climate-change-environment/standards-tools-and-labels/products-labelling-rules-and-requirements/ecodesign-sustainable-products-regulation_en.

27 See Bill C-337, known as the Textile Waste Reduction Strategy Act. It is also notable that the Government of Canada initiated consultations in July 2024 to develop a roadmap addressing plastic waste and pollution in the textile and apparel sector. See Government of Canada news release, 4 July 2024, available at https://www.canada.ca/en/environment-climate-change/news/2024/07/the-government-of-canada-is-taking-steps-to-address-plastic-waste-and-pollution-from-the-textile-and-apparel-sector.html?utm.

28 US Government Accountability Office, "Textile Waste: Federal Entities Should Collaborate on Reduction and Recycling Efforts", 12 December 2024
Available at www.gao.gov/products/gao-25-107165. Within certain states of the US, the issue is becoming more salient as well. For example, in September 2024, California passed the Responsible Textile Recovery Act of 2024, which, inter alia, requires that retailers provide free recycling programs for unwanted textiles. California Legislature, *Senate Bill No. 707: Responsible Textile Recovery Act of 2024*
Available at https://legiscan.com/CA/text/SB707/id/3020109.

→| Box 1. UNEP Circularity and Used Textile Trade Project

UNEP, with funding from the European Commission, is developing global criteria to categorise used textiles into reusable products and textile waste, and a global guideline to determine the suitability of trading used textiles for socio-economic value coupled with global environmental agendas. This effort forms part of the UNEP Textile Initiative which aims to accelerate a just transition towards a sustainable and circular global textile value chain.

The project acknowledges that developing countries have a high demand for second-hand clothing due to its affordability and that trade in such goods can offer socioeconomic benefits, particularly in informal sectors. It therefore aims to overcome challenges, such as inadequate recycling and disposal infrastructure of imported textiles, by promoting an approach that creates economic value and inclusive social development while tackling the triple planetary crises of climate change, nature loss, and pollution and waste.

The project works with governments and relevant organizations in some of the largest developing countries that import used textiles (Ghana, Kenya, Pakistan and Tunisia). It also engages with interested countries and stakeholders in consultations globally.

Source: *UNEP project page https://www.unep.org/circularity-and-used-textile-trade-project.*

Key importing countries are considering new or revised import restrictions on used textiles

Several importing countries are either in the process of implementing new import restrictions or are considering doing so. In Chile, the Ministry of Environment proposed a Draft *Circular Economy Strategy for Textiles* in August 2024. The strategy proposes implementing an EPR scheme for textile products, enhancing access to garment repair services, and promoting local employment in the textile sector. A core objective of the strategy is to improve the quality of imported clothes, and it outlines a two-step approach: (i) Establish national standards for the sorting and classification of used clothes and require that all textiles be sorted and classified prior to export; and (ii) Develop regulations by 2030 to ensure the quality and safety of textile products, including through extended warranties and maximum allowable limits for toxic chemicals.[29]

In Ghana, policymakers are exploring ways to link EPR policies to trade policies. Although the country does not yet have a mandatory EPR scheme in place, it is developing a legal framework for plastics, which is expected to be extended to textiles. The government of Ghana has suggested that EPR schemes need to collaborate internationally, including by

29 See Compliance and Risks, "Chile's Draft Strategy for a Circular Textiles Sector by 2040", 10 September 2024, available at https://www.complianceandrisks.com/blog/chiles-draft-strategy-for-a-circular-textiles-sector-by-2040/. See also Ministry of the Environment (Chile), Circular Economy "Textiles" webpage, available at https://economiacircular.mma.gob.cl/textiles/.

improving sorting and information-sharing prior to shipping.[30] Extending the geographical scope of EPR schemes could provide importing countries with financial support to develop their domestic sorting infrastructure. In 2023, Ghana proposed a Global Plastic Pollution Fee (GPPF). The idea of such a global fee could also be considered for textile products, ensuring that countries receive the support they need to manage waste where it ultimately ends up.[31]

Discussions are underway to develop international standards for trade in used clothing

While there is currently no internationally recognized standard governing trade in used clothing and worn textiles, recent developments at both the International Standardization Organization (ISO) and the WTO indicate growing momentum towards a future standard (or standards) in this area.

The ISO has created a vocabulary for navigating cross-border trade in second-hand goods.[32] A key recent standard in this area, ISO 5157:2023, "provides general terms and definitions used in the textile value chain related to environmental and circular economy aspects including design, production, retail, use and reuse, recycling processes, repair, and disposal".[33] The ISO is also in the process of developing standards aimed at promoting a circular economy more broadly.[34] Once these standards are finalized and widely adopted, they are expected to guide - and potentially shape - how countries regulate and trade used clothing.

Furthermore, over the last few years, the WTO has launched and expanded the Trade and Environmental Sustainability Structured Discussions (TESSD), which are "intended to complement the work of the Committee on Trade and Environment".[35] The TESSD Informal Working Group on Circular Economy – Circularity recently conducted a mapping exercise[36] to identify trade aspects of the circular economy, and mapped existing and potential relevant measures, including transparency, standards and regulations, trade facilitation, waste management, capacity-building and technology in sectors including textiles. The group also

30 Ellen MacArthur Foundation, "EPR for textiles in Ghana", 25 September 2024
Available at https://www.ellenmacarthurfoundation.org/epr-for-textiles-in-ghana.

31 Ibid.

32 See ISO 2024:2017, "Cross-border trade of second-hand goods.
Available at https://www.iso.org/obp/ui/en/#iso:std:iso:20245:ed-1:v1:en.

33 ISO, "Textiles - Environmental aspects - Vocabulary.
Available at https://www.iso.org/obp/ui/en/#iso:std:80937:en.

34 An ISO search of "circular economy" reveals several standards that are under development, which means that there may soon be policies that offer relevant guidance on used clothing and other goods. See also the ISO page dedicated to circular economy, available at https://www.iso.org/sectors/environment/circular-economy. There is also an existent standard on Life Cycle Assessment (ISO 14040/44), which relates to circularity and sustainability.

35 WTO, "Trade and environmental sustainability.
Available at https://www.wto.org/english/tratop_e/tessd_e/tessd_e.htm. Similarly, the WTO has joined other organizations in reporting annually to the United Nations High-level Political Forum (HLPF) on the efforts it has taken to achieve trade-related targets in the Sustainable Development Goals.

36 Ibid. (See link to document in right-hand navigation pane under "Outcome documents of Informal Working Groups" heading).

hosted in June 2024 a *Roundtable on Trade, Sustainability, and Circularity in the Textiles Sector: Perspectives on Trade in Second-Hand Textiles to discuss priorities and prospects for international cooperation in this area.*[37]

Relevant trade negotiations are ongoing

Multilateral negotiations

Negotiations towards a legally binding United Nations plastics instrument, intended to establish global rules on waste and pollution related to plastics, have recently stalled. At the latest session of the Intergovernmental Negotiating Committee in Geneva (August 2025), delegations were unable to reach consensus on core provisions, including limits on plastic production and controls on hazardous substances. While discussions are expected to continue, the timeline for concluding the treaty is now uncertain. The outcome of these talks will be critical for future textile waste policies, as the draft resolution covers microplastics—a significant share of which originates from synthetic fibres widely used in garment production.[38]

A targeted multilateral initiative to improve trade in used textiles is the 2024 proposal[39] submitted to the European Commission by Denmark, France and Sweden, advocating for textile waste to fall under the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.[40] This approach, mirroring existing rules for electronic waste, would introduce prior informed-consent requirements for the import and export of textile waste, and prohibitions on the export of hazardous textile waste.

Bilateral and plurilateral negotiations

Some preferential trade agreements (PTAs) include provisions or a chapter on trade and the environment or trade and sustainable development, which could provide a legal basis for regulating trade of used clothing and textile waste.

To date, at least seventeen PTAs explicitly recognize the principle of circular economy:

- The UK agreements with the EU (2020), the European Free Trade Association (EFTA) (2021), Australia (2021), and New Zealand (2022);

37 Forum website available at https://tessforum.org/latest/roundtable-on-trade-sustainability-and-circularity-in-the-textiles-sector-perspectives-on-trade-in-second-hand-textiles.

38 *Resolution adopted by the United Nations Environment Assembly on 2 March 2022 (UNEP/EA.5/Res.14), available at* https://wedocs.unep.org/xmlui/bitstream/handle/20.500.11822/39764/END%20PLASTIC%20POLLUTION%20-%20TOWARDS%20AN%20INTERNATIONAL%20LEGALLY%20BINDING%20INSTRUMENT%20-%20English.pdf?sequence=1&isAllowed=y.

39 Council of the European Union, "Stricter controls on exports of textile waste to developing countries", 18 March 2024
Available at https://data.consilium.europa.eu/doc/document/ST-7881-2024-INIT/en/pdf.

40 For information on the Basel Convention, see https://www.basel.int/theconvention/overview/tabid/1271/default.aspx.

- EFTA agreements with Moldova (2023), Kosovo[41] (2025), and Thailand (2025);
- The Chile-EU Interim Agreement (2023) and the EU Enhanced Partnership and Cooperation Agreement with Kyrgyzstan (2024);
- The United Arab Emirates agreements with New Zealand (2025), Chile (2024), and Australia (2024);
- New Zealand's agreement with the Association of Southeast Asian Nations (ASEAN) and Australia (2023), and its Agreement on Climate Change, Trade, and Sustainability with Switzerland, Costa Rica, and Iceland (2024); and
- The China-Ecuador FTA (2023), the Canada-Ukraine Modernized FTA (2023), and the Indo-Pacific Economic Framework for Prosperity (IPEF) Clean Economy Agreement (2024).

Over a hundred PTAs reaffirm the sovereign rights of countries to regulate and set their own levels of protection (including environmental protection). Besides the agreements referred to above, these provisions are also found in the Chile-EU Advanced Framework Agreement (2023), the Hong Kong-Peru Free Trade Agreement (2024), the EFTA-India Trade and Economic Partnership Agreement (TEPA) (2024), and the Mercosur-Singapore FTA (2023), among others.

Technology in (semi-)automated textile sorting is improving

(Semi-)automated sorting technologies, involving the use of technological aids such as automated near-infrared (NIR) technology and handheld scanners to determine the material composition of textiles, are rapidly advancing and increasingly making use of artificial intelligence. While at present these technologies are primarily used to improve the sorting of recycling of non-rewearable fabrics, they improve the business case for sorting all collected textiles[42] and are beginning to be applied to rewearable clothing.[43] Several initiatives across Europe are leading the way:

- **Lounais-Suomen Jätehuolto** (LSJH) in Finland employs a two-stage process: after an initial round of manual sorting, textiles are scanned using infrared technology to determine their material composition and sorted into categories such as polyester and cotton;[44]

41 All references to Kosovo in this document should be understood in the context of United Nations Security Council resolution 1244 (1999).

42 See Interreg-EU European Regional Development Fund Fibersort case study
Available at https://vb.nweurope.eu/media/9655/2020305-fibersort-51-final-case-studies-report.pdf.

43 Fashion for Good, "Sorting for Circularity Europe Expands to Address Rewearable Textile Crisis", 18 January 2024
Available at https://www.fashionforgood.com/our_news/sorting-for-circularity-europe-expands-to-address-rewearable-textile-crisis/.

44 Lounais-Suomen Jätehuolto website available at https://lsjh.fi/en/.

- **TEXAID** in Switzerland relies on a human-machine interface, where workers assess collected textiles based on material, quality and texture, then use voice-input via a microphone to classify each item.[45] Based on such classification, a conveyor belt system then automatically sorts each item into its corresponding category;
- The EU-funded **Fibersort** project combines NIR and red-green-blue (RGB) camera technologies to identify fibres and single-colour items so they can be separated and recycled[46]; and
- **Siptex**, a large Swedish facility, also utilizes NIR in conjunction with visual spectroscopy (VIS) to accomplish the same tasks and sort textiles by material type.[47]

Automated sorting arguably represents the missing link between collection and the high-quality classification needed for circular textile systems, as it has the potential to outperform manual sorting in terms of cost, accuracy and speed. However, significant challenges remain in scaling the technology. For example, the Siptex facility can process up to 4.5 tonnes per hour, equivalent to 24,000 tonnes a year,[48] yet the EU generates approximately 5.2 million tonnes of waste clothing and footwear each year.[49]

The economic viability of textile recycling in the EU remains constrained by low-profit margins (as discussed earlier) which complicates the business case for large-scale investments in recycling plants. Increasing the quality of garments and the purity of fabrics will help change textiles recycling from a low-value to high-value enterprise. Both private and public investment, further technological breakthroughs, and ambitious scale-up targets will also be critical to unlocking the full potential of automated sorting systems.[50]

45 TEXAID website available at https://www.texaid.ch/en/.

46 This is an EU Interreg-funded project led by Circle Economy. Partner organizations of the project include Smart Fibersorting B.V., Valvan Baling Systems, Stichting Leger des Heils, ReShare, Worn Again Technologies Ltd., and Procotex Corporation S.A.

47 See Siptex, "Siptex – Groundbreaking Textile Sorting" webpage
Available at https://smartcitysweden.com/best-practice/415/siptex-groundbreaking-textile-sorting/.

48 European Commission, "Siptex: Pioneering textile sorting for increased circularity"
Available at https://environment.ec.europa.eu/topics/circular-economy/reset-trend/get-inspired-stories-change/siptex-pioneering-textile-sorting-increased-circularity_en#:~:text=Automated%20sorting%20is%20currently%20the,innovation%20and%20the%20circular%20economy.

49 European Commission, "Circular economy for textiles: taking responsibility to reduce, reuse and recycle textile waste and boosting markets for used textiles" press release, 24 July 2023
Available at https://ec.europa.eu/commission/presscorner/detail/en/ip_23_3635.

50 See McKinsey & Company, "Scaling textile recycling in Europe - turning waste into value", 14 July 2022
Available at https://www.mckinsey.com/industries/retail/our-insights/scaling-textile-recycling-in-europe-turning-waste-into-value.

Pressure from NGOs and consumer demand is growing

Non-governmental organizations (NGOs), including the Changing Markets Foundation and Greenpeace[51], have played a key role in highlighting the negative impacts of the rise of and shift to ultra-fast fashion. Alongside investigative work in importing countries, these NGOs have issued clear recommendations to improve the situation, urging governments and industry to act.

At the same time, consumer awareness is rising. A significant share of consumers (over half in the UK and Germany and two-thirds in the US) now consider sustainability an essential factor in their purchasing decisions.[52] There is, however, dissonance between intention and behaviour. For example, "three-fifths of younger millennials (people born between 1981 and 1996) in the UK returned items they had purchased in the last three months", adding to waste textile volumes.[53] Cost-conscious behaviours driven by macroeconomic pressures and rising prices can, however, be helpful in fuelling growth in second-hand sales.[54]

51 See Greenpeace, "Poisoned Gifts - From donations to the dumpsite: textiles waste disguised as second-hand clothes exported to East Africa" (22 April 2022)
Available at https://www.greenpeace.org/international/publication/53355/poisoned-gifts-report-fast-fashion-textile-waste-disguised-as-second-hand-clothes-exported-to-east-africa.

52 Mintel, "The Future of Fashion: Circular and Sustainable Fashion Trends", 16 September 2024
Available at https://www.mintel.com/insights/retail/the-growth-of-circular-and-sustainable-fashion-trends/.

53 Ibid.

54 See McKinsey & Company, *The State of Fashion 2025: Challenges at every turn (11 November 2024)*
Available at https://www.mckinsey.com/industries/retail/our-insights/state-of-fashion.

Chapter III.

Issues to consider when developing a technical regulation

If authorities determine that the current moment supports creating a technical regulation to enhance the flow of used clothing, they should consider several practical issues addressed in his chapter in five sections: the criteria a technical regulation must meet, the elements it should contain, the risks to consider when developing it, the factors that could aid its implementation, and the international trade agreements to draw upon when drafting it. Figure 2 addresses the first and fourth of these issues.

Figure 2. Criteria a technical regulation must meet and factors contributing to its implementation

Source: *Source: UNECE, 2025.*

What criteria would a technical regulation need to meet?

A technical regulation, as defined under the WTO TBT Agreement, lays down mandatory "product characteristics or their related processes and production methods, including the applicable administrative provisions". This can include specifications on terminology, symbols, packaging, marking or labelling. A technical regulation holds the potential to help prioritize quality over quantity in the second-hand clothing trade. Indeed, a well-crafted technical regulation could, inter alia:

- Establish minimum quality standards for imported garments;
- Incentivize better sorting practices in countries of origin; and
- Improve garment quality and traceability throughout the supply chain.

Any technical regulation must follow international trade rules, notably those under the TBT Agreement. According to this agreement and most FTAs, including TBT provisions, a technical regulation should conform to the four principles outlined below (also shown in Figure 2):

- **Be non-discriminatory**: A technical regulation must treat imported products no less favourably than domestic "like' products (National Treatment obligation), and "like" products from other WTO members (Most-Favoured-Nation (MFN) obligation). As stated in Article 2.1 of the TBT Agreement "products imported from the territory of any member shall be accorded treatment no less favourable than that accorded to like products of national origin and to like products originating in any other country."[55] Hence, if a technical regulation requires formal quality certification for imported second-hand clothing, the same requirement must apply to domestically collected used clothing and to suppliers of all exporting countries equally;

- **Minimize trade restrictiveness:** Technical regulations must not be more trade restrictive than necessary to achieve a legitimate objective (e.g. protecting the environment or human health). For example, concerns about the quality of a subset of used textiles would not justify a ban on all used textile imports. Article 2.2 of the TBT Agreement provides that technical regulations must not be "prepared, adopted or applied with a view to or with the effect of creating unnecessary obstacles to international trade." The emphasis on trade restrictiveness in international trade rules is also evident in Article XI of the GATT, which as a general rule, prohibits quantitative restrictions on imports and exports;

- **Adhere to international standards and best practices**: When implementing technical regulations , countries must consider relevant international standards where they exist, according to Article 2.4 of the TBT Agreement. The general rule is that a country must use these standards as a basis for its technical regulations, unless they would be "ineffective or inappropriate," e.g. due to specific climatic conditions or technological differences. Where no international standard exists, countries are required to notify the WTO of their proposed technical regulation (see Article 2.9 of the TBT Agreement). There is currently no international standard governing the trade in used clothing; however, efforts are underway in this direction; and

- **Be formulated transparently:** Many FTAs include detailed transparency commitments[56] that each party must follow when developing technical regulations. These obligations typically require the following:

    - Publishing on the WTO Registry all new proposals for technical regulations that may have a significant effect on trade, and allowing at least 60 days for other countries to provide written comments (except in cases of urgent threats to safety, health, environmental protection, etc.);

55 See the WTO Agreement on Technical Barriers to Trade, available at https://www.wto.org/english/tratop_e/tbt_e/tbtagr_e.htm#.

56 For examples, see EU-Chile Interim Agreement (2023), Art. 9.10; Mercosur-Singapore FTA (2023), Art. 8.9; China-Ecuador FTA (2023), Art- 8.8; Pacific Alliance–Singapore FTA (2022), Art. 7.8; Chile-Paraguay FTA (2021), Art. 5.8; and Brazil-Chile FTA (2018), Art. 5.8. The China-Ecuador FTA (2023), Article 8.8 and the Chile-Ecuador ECA (2020), Art. 8.8. roughly include the same transparency commitments but with less detail (e.g. there is no obligation to publish the answers to the comments received, nor information about the WTO notification).

- Providing information regarding the objectives of the proposed technical regulation and its legal basis, allowing stakeholders to provide input through public consultation with equal participation rules for all parties and a requirement to make its results public; and

- Notifying the WTO of the adoption and entry into force of the technical regulation and its adopted final text, allowing a reasonable interval (usually not less than six months) between publication in the WTO registry of the text and its entry into force.

What are the key elements of a technical regulation?

A technical regulation that aims to establish minimum standards for the quality of used clothing imported into a country, thereby reducing the quantities of imported textile waste, will have certain key elements. The list below is non-exhaustive and non-prescriptive and is intended to inspire those looking to design such a regulation.[57]

Key elements to consider for a potential technical regulation are as follows:

↘ **Clear definitions of key terms** essential to a well-designed regulation, including *textile waste, used textiles and textile classification. Importantly, textile waste should be defined as items that are harmful to the environment or human health;*

↘ **A prohibition on the import of textile waste and unsorted textiles**, with violations considered acts of smuggling with attendant requirements for importers to return any infringing goods to their country of origin;

- **A reference to a technical standard issued by the national government** that establishes a system for the categorization of used textiles and sets the minimum conditions they must meet to be eligible for import.[58] In addition, the national government should consider recognizing technical standards other than its own;[59]

- **Definitions of classification procedures, digital labelling systems and data-sharing protocols** - such as those developed by the United Nations Centre for Trade Facilitation and Electronic Business (UN/CE-

57 It is essential to note that, in parallel with such a technical regulation on imported used clothes, equivalent measures will be necessary for domestically sourced used clothes - for example, regarding the certification of their quality or their sorting according to specific criteria. This will avoid a sense of the technical regulation being designed to support domestic suppliers and reduce the chance of non-compliance with the National Treatment Principle under the GATT Article III and equivalent provisions of the TBT Agreement.

58 The government would also issue standardized forms to use in the relevant customs declarations.

59 In the case of another technical standard being recognized, an importer can certify that the classification process carried out by an exporter complies with this recognized standard, in which case the importer will not be penalized if the goods they receive contain textile waste.

FACT) - to verify the quality, origin and composition of used clothing at the border, thereby helping to distinguish between reusable garments and textile waste;

- **Procedures that importers must comply with,** for example:
  - → The importer must issue a request or purchase order indicating precisely the categories of used textiles they intend to import;
  - → The importer must ensure that the exporter carries out a classification process in accordance with the technical standard and issues a classification declaration; and
  - → Upon receipt of the goods, the importer must confirm that the used textiles received match their purchase order and that the bales do not contain textile waste.

- **The creation of a register of importers of used textiles** maintained by the national government to facilitate inspection and documentation verification. In addition, every importer must maintain a guarantee to comply with the obligation to return textile waste to the country of origin;

- **Restrictions on bundled sales of used textiles** to discourage the inclusion of textile waste alongside used textiles with commercial value. Certification that a bale was compiled following a sanctioned sorting procedure could, for example, be required;[60] and

- **A process of supervision by the national customs service or similar body** to enforce the regulation, including the establishment of offences such as importing used textiles without being a registered importer; importing used textiles without a maintaining a guarantee to return waste textiles; and failing to comply with an obligation to return waste textiles to their country of origin.

60 If no reliable certification scheme can be developed to ensure such restrictions are adhered to, the prohibition of bundled sales could be a potential alternative.

What are the key risks to manage when designing a technical regulation?

Designing a technical regulation for used clothing trade entails navigating complex international trade obligations, particularly under the WTO TBT Agreement. Poorly designed regulations risk violating trade rules or proving ineffective in achieving policy objectives. To minimize such risks, policymakers should be aware of the following common pitfalls:

- **Discriminatory treatment (violation of TBT Agreement Article 2.1):** Regulations must not discriminate between "like" imported products based on origin (violating the MFN obligation mentioned above) or between foreign and domestic products (violating the national treatment obligation). For example, a measure that permits only domestically collected used clothing while excluding imports would likely violate national treatment; a measure that favours used clothing from some foreign suppliers over others could breach MFN;
- **Overly trade restrictive measures (violation of TBT Agreement Article 2.2):** Measures must not restrict trade more than necessary to achieve legitimate policy goals such as environmental protection or human health. Overly burdensome requirements may be challenged as creating unnecessary obstacles to trade;
- **Failure to use international standards (violation of TBT Agreement Article 2.4):** If relevant international standards exist, technical regulations should use them as a basis. Departing from them without proper justification (e.g. due to climatic or technological differences) could raise compliance issues. Therefore, being aware of any relevant standard(s) or any developing standard(s) is imperative;
- **Poor transparency and notification practices:** Even if a measure is properly designed, failure to notify the WTO (or to allow time for comment from trading partners) can undermine its legitimacy and invite a challenge;
- **Incoherent or incomplete regulatory scope:** A regulation that fails to clearly define sorting or quality criteria may face implementation challenges or be seen as arbitrary. Ambiguous standards (e.g. a lack of clarity about key terms like "waste" or "reusable") can cause unnecessary confusion;
- **Neglect of related legal regimes:** Measures that fall within the scope of the WTO Sanitary and Phytosanitary (SPS) Agreement (e.g. requiring fumigation of imported textiles) must conform to its provisions. Moreover, technical regulations must comply with the obligations not only of the TBT Agreement but of the GATT. Misunderstanding how the rules are intended to be interpreted and used to classify one's measure may eventually lead to enforceability or compliance issues; and
- **Assuming notification equals legality:** The fact that a technical regulation has been notified to the WTO without challenge does not guarantee that it is WTO compliant. Policymakers should ensure that measures are substantively aligned with legal obligations, not just procedurally disclosed.

By proactively addressing these risks - particularly through good regulatory practices such as impact assessments, consultation with stakeholders and participation in international standard setting - governments can enhance the legal defensibility and practical effectiveness of their technical regulations.

Which factors would aid the implementation of a technical regulation?

EPRs that share financing between countries

Well-designed EPR systems can improve the quality of used clothing by incentivizing the circular design of garments and increasing the rates at which they are repaired, reused and recycled. EPR rules mandate that manufacturers cover the cost of managing their products in a more environmentally friendly manner, particularly towards the end of a product's life cycle.[61] EPR systems covering clothing are present in countries that predominantly export second-hand clothing, including the United States,[62] France,[63] and the Kingdom of the Netherlands,[64] and in some countries that mainly import used clothing, including Chile[65] and Ghana.[66] Furthermore, the EU plans to introduce such schemes for textile producers in all its member States through revision of its *Waste Framework Directive*. However, in such schemes, producer responsibility typically ends at the point of export, thereby diminishing their potential to collect and manage discarded textiles in destination countries. Extending these schemes across borders would help increase flows of high-quality textiles internationally.

61 For further reading, see Girling, J., "Textiles Extended Producer Responsibility (EPR): Status report summarising the proliferation of EPR systems for the textiles waste stream" (Waste and Resource Action Program, January 2024)
Available at wrap-textiles-epr-status-report-january-2024-v2.pdf.

62 Ellen MacArthur Foundation, "EPR for textiles in the USA", 25 September 2024
Available at https://www.ellenmacarthurfoundation.org/epr-for-textiles-in-the-usa.

63 Décret n° 2022-748 du 29 avril 2022 relatif à l'information du consommateur sur les qualités et caractéristiques environnementales des produits générateurs de déchets 2022 (2022-748).

64 Decree of 14 April 2023 containing rules for extended producer responsibility for textile products (EPR for Textiles Decree) 2023.

65 See Ellen MacArthur Foundation, "EPR for textiles in Chile, 25 September 2024
Available at https://www.ellenmacarthurfoundation.org/epr-for-textiles-in-chile.

66 See Ellen MacArthur Foundation, "EPR for textiles in Ghana", 25 September 2024
Available at https://www.ellenmacarthurfoundation.org/epr-for-textiles-in-ghana.

Improved trade codes for used textiles and textile waste

Recent research has shown that the current Harmonized System (HS) codes for used clothing and waste textiles are inadequate for promoting a circular economy in textiles.[67] The HS, the legal instrument that provides the basis for customs tariffs and the international trade statistical system (notably HS 6309 and HS 6310), does not sufficiently distinguish between different types of used textile. For example, HS 6309 covers at least six types of reusable or recyclable textiles for different end-users in current trading pathways.[68] Further shortcomings concern items such as footwear, bedding, headgear and plastic-covered garments under HS chapters other than chapter 63, meaning their inclusion in a shipment may lead to its customs rejection. Additionally, there is currently no specific HS code for recycled textile fibres.[69]

The application of the Basel Convention to imports of used textiles further complicates matters. Its definitions do not align with the practices of the used textiles sorting and recycling industries. Textiles are not considered hazardous waste under the convention. However, they are included in its List B of Annex IX, which stipulates that if textiles exhibit certain characteristics, such as containing specific metal waste, they will be subject to control procedures. This creates challenges to owners of used textile shipments, as it is difficult to entirely prevent the inclusion of unintended items, such as batteries left in pockets of donated garments, which could technically make it a "mixed" shipment under the convention's definition of a "waste product".[70]

Ability of customs agencies to enforce a technical regulation

Resolving ambiguities in applying HS to shipments of used textiles is performed by customs agencies in transit or destination ports. Each country, and indeed each customs officer applies the criteria set out in the trade codes to each shipment.[71] For example, in some EU countries, customs officers would accept shipments of worn clothing that includes shoes while others would reject them for non-compliance with HS or Basel Codes. Improving the clarity and specificity of trade codes would help customs agencies apply them more consistently.

67 See Barrie, J., and Grooby, G. *Going circular: How the Harmonized System codes can/not support a circular economy and what else could be done (2023)*
Available at https://library.fes.de/pdf-files/international/20579.pdf. See also Habib, N.M., and Parris, H., "Reforming textile trade codes to be fit for purpose for the circular and sustainable textile economy", Cambridge CRSD Challenge Paper (2024)
Available at https://www.landecon.cam.ac.uk/sites/default/files/2024-11/Textile%20Trade%20Codes_Challenge%20Note_FINAL.pdf.

68 Ibid.

69 Ibid.

70 Ibid.

71 Ibid.

Even when a technical regulation is adopted to increase the quality of imported textiles and better distinguish reusable textiles from waste, its provisions should ensure that its supervision by national customs agencies is as straightforward as possible, including in matters such as the registration of importers, the verification of documentation and the inspection of shipments.

What are the key international trade agreements relevant to a technical regulation?

Agreement on Technical Barriers to Trade (TBT Agreement)

The WTO TBT Agreement aims to ensure that technical regulations, standards, and testing and certification procedures do not create unnecessary obstacles to trade. It also provides WTO members with the right to implement measures to achieve legitimate policy objectives (e.g. protection of human health and safety or the environment). It defines a technical regulation as follows:

> *A document which lays down product characteristics or their related processes and production methods, including the applicable administrative provisions with which compliance is mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method.*

The last sentence of this definition does not represent an exhaustive list. Many measures unrelated to packaging, marking or labelling might be considered technical regulations if they specify mandatory product characteristics.[72] Moreover, the explicit inclusion of "related processes and production methods" means the that the TBT Agreement's coverage includes rules on producing a product.

General Agreement on Tariff and Trade (GATT)

The GATT is the principal document governing trade in goods. It aims to facilitate market access of WTO members' goods to other members' markets and ensure the non-discriminatory regulatory treatment of foreign goods once on the market (obligations on most-favoured-nation

72 Examples of measures deemed to be technical regulations include the criteria for determining risks posed by certain biofuel feedstocks to increased greenhouse emissions levels (Panel Report, *European Union and Certain Member States - Certain Measures Concerning Palm Oil and Oil Palm Crop-Based Biofuels, WT/DS600/10 (adopted on 26 April 2024)); a prohibition on the production or sale in the United States of cigarettes containing certain additives, including clove (Appellate Body Report, United States - Measures Affecting the Production and Sale of Clove Cigarettes, DS406 (adopted on 24 April 2012)); and the requirements associated with labelling tuna as "dolphin safe" (United States - Measures Concerning the Importation, Marketing and Sale of Tuna and Tuna Products, WT/DS381 (adopted on 13 June 2012)).*

and national treatment). The basic market access rules include those precluding the use of quantitative restrictions - such as quotas or outright bans - and those supporting lowering tariff and non-tariff barriers.

Agreement on the Application of Sanitary and Phytosanitary Measures (SPS)

The SPS recognizes the right of countries to institute trade measures to protect human, animal and plant life or health, particularly against pests and diseases impacting food sources, while also imposing restrictions on SPS measures to avoid abuse. The SPS gives countries latitude in establishing their own health standards but looks favourably upon those measures that are based upon existing international standards.[73]

The Agreement on Import Licensing Procedures (Licensing Agreement)

The Licensing Agreement provides guardrails for licensing schemes established in connection with importation of goods. In particular, the rules promote transparency and non-discrimination in licensing schemes.

Free trade agreements (FTAs)

The commitments included in FTAs complement and largely repeat the WTO framework above. When developing a technical regulation on the import and export of used clothing, two chapters are of central importance: those referring to technical barriers to trade and those concerning trade and environment (or sustainable development). FTAs share a common objective to facilitate trade in goods by preventing, identifying and eliminating unnecessary technical barriers to trade, and promoting greater regulatory cooperation. Some also add other objectives - such as enhancing transparency[74] or deepening integration - and some have a chapter on trade and environment or sustainable development.[75] Chapter 26 of the Chile-EU Interim Agreement, for example, includes provisions relevant to technical regulations, including those on circular economy, the right to determine sustainable development policies, transparency and cooperation, and consultation with civil society.

73 Article 1.5 of the TBT Agreement establishes the relationship between that Agreement and the SPS Agreement. Specifically, it states that if a measure is an SPS measure, as defined in paragraph 1 of Annex A of the SPS Agreement–that measure cannot be considered a TBT measure. This is a significant point to note in the context of worn (used) clothing because several of the existent measures – including some that have been notified to the TBT committee may, upon close scrutiny, be categorized as SPS measures. To the degree this is true, the SPS Agreement would apply to the measure. No clear line guides the relationship between the TBT Agreement and the GATT: a measure that complies with the TBT Agreement receives no presumption of conformity with the GATT.

74 See Mercosur-Singapore FTA (2023), Art. 8.1; Chile-Ecuador ECA (2020), Art. 8.2; Brazil-Chile FTA (2018), Art. 5.1.

75 The Mercosur-Singapore FTA (2003), the China-Ecuador FTA (2023) and the Pacific Alliance – Singapore FTA (2022) do not include chapters on environment or sustainable development.

Chapter IV.

Opportunities to build on the momentum: a way forward

Progress in designing technical regulations can be achieved by referring to the key elements outlined above, while simultaneously building on the momentum outlined in Chapter II to help facilitate their adoption and widespread use. Five main areas of action can be highlighted (see Figure 3).

Increase traceability by leveraging UN/CEFACT recommendations, standards and processes

Value chain traceability standards facilitate the availability of data that can enable importing countries to impose restrictions on specific categories of used textiles, such as dirty, worn and torn clothing, thereby improving the overall quality of the used textiles they purchase. As recommended by the OECD, UNECE and WTO, such standards should be non-discriminatory and not create unnecessary trade barriers. The experience of the EAC in developing the *Draft East African Standard for Textiles - Requirements for Inspection and Acceptance of Used Textiles Products may provide valuable lessons when setting these standards. The work of the World Customs Organization is also relevant when developing clear definitions that facilitate the detection of illegal cross-border movements of goods.*

Digitizing all shipment, transport and control procedures, alongside introducing automated customs declarations and digital inventory controls, would help prevent smuggling and the disposal of waste in illegal dumps. This effort should begin with exporters of used clothing applying detailed criteria to distinguish it from waste and improving the traceability of its trade in line with international standards, as mentioned above.

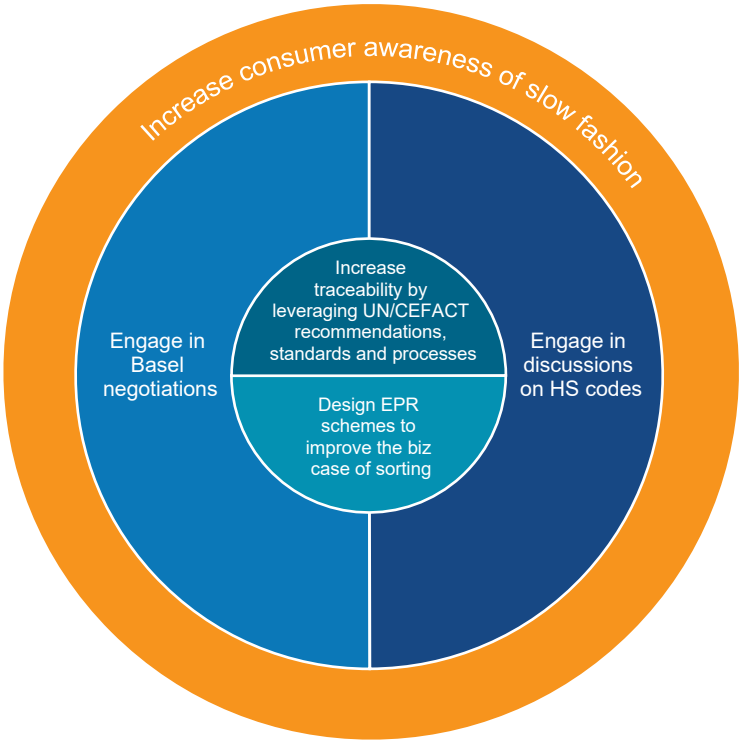


Figure 3. Actions to build on momentum towards a technical regulation in used clothing

Source: *Source: UNECE, 2025.*

The UNECE and its subsidiary body UN/CEFACT have established normative frameworks that could provide a solid foundation for the processes necessary to increase transparency and traceability in the used clothing trade. Indeed, the work of UN/CEFACT on traceability in textile and leather value chains provides a structured basis for defining classification procedures, digital labelling systems, and data-sharing protocols that

could be embedded in technical regulations. Specifically, two policy recommendations, and the UN/CEFACT standards they support - Recommendation No. 46 on Enhancing traceability and transparency of sustainable value chains in the garment and footwear sector[76] and the forthcoming *Recommendation No. 49 on Transparency at scale–Fostering Sustainable Value Chains,*[77] - offer relevant principles and guidance on addressing several of the regulatory challenges outlined in this study:

- Recommendation 46 outlines a harmonized framework for capturing and exchanging traceability data throughout a product's life cycle - from raw material to finished garment and beyond. Applied in the context of second-hand trade for the circular economy, this could serve as a pertinent foundation to design a regulation that mandates importing countries to verify the quality, origin and composition of used clothing at the border, thereby helping to distinguish between reusable garments and textile waste; and
- Recommendation No. 49 provides guidance to national and regional policymakers on fostering transparency across global value chains through trustworthy sustainability information. Central to the recommendation is the need for sustainability data that is high-quality, verifiable, interoperable and accessible, including through digital product passports (DPPs). The recommendation proposes the development of national policy frameworks, supported by interoperable digital tools like the United Nations Transparency Protocol (UNTP), which is a modular and decentralized standard enabling reliable data exchange. It also calls for government-issued, digitally verifiable certificates and permits to serve as "trust anchors."

In addition to substantive guidance, the UN/CEFACT Open Development Process (ODP)[78] could offer a relevant procedural model for supporting the development of a technical regulation. The ODP is a transparent and inclusive process that encourages input from internationally designated experts, fostering consensus across a wide range of stakeholders. Its participatory nature could help ensure that any resulting regulation reflects the perspectives of both exporting and importing countries. The ODP also places strong emphasis on the development of technology-neutral and non-proprietary deliverables, an approach well-suited to the development of interoperable labelling, classifications, and digital traceability requirements. In addition, the ODP's governance framework, which includes clear intellectual property and ethical conduct provisions, helps guarantee that any outputs developed under its umbrella are freely accessible, transparent and suitable for wide adoption.

Taken together, these normative and procedural assets could position UNECE and UN/CEFACT as key enablers in the operationalization of an effective technical regulation to promote circular trade in second-hand textiles.

76 UNECE, *Recommendation No. 46: Enhancing traceability and transparency of sustainable value chains in the garment and footwear sector* (2022)
Available atunece.org/sites/default/files/2022-01/ECE-TRADE-463E.pdf.

77 UNECE, *Recommendation No. 49: Transparency at Scale–Fostering Sustainable Value Chains (2025) Available at* ECE-TRADE-C-CEFACT-2025-03E_0.pdf.

78 UNECE, "Update to the Open Development Process" (2016)
Available at https://unece.org/DAM/cefact/cf_plenary/2016_plenary/CF_2016_017E_ODP.pdf.

Engage in Basel Convention negotiations

The Basel Convention can play a significant role in bringing greater clarity to the trade in textile waste and in plastic waste. Recent amendments to the convention aim to better regulate the trade in plastic waste, but interpretations of these amendments vary, creating uncertainties about the extent to which they can restrict the transboundary movement of textile waste composed entirely or mainly of plastic fibres. If clear legal definitions and obligations are established, the convention could become a powerful instrument to restrict the export and import of synthetic textiles, especially those that are contaminated or hard to recycle, while also setting robust, environmentally sound management standards for textile waste.[79] If reforms to the Basel Convention waste codes are pursued, it would be advantageous to seek the engagement and cooperation of the World Customs Organization.[80]

The Convention's effectiveness ultimately depends on countries' abilities to implement and enforce its provisions in a coordinated manner, supported by complementary policy measures that promote circular design and extend the lifetimes of textile products. Additionally, continued technical and financial support will be essential to enable developing countries to meet their obligations under the convention.

Engage in discussions to revise relevant Harmonized System codes

Revision to the HS codes could help draw a clearer demarcation between used textiles and textile waste. The relevant HS codes (6309 and 6310) could be revised and updated to better align with global frameworks such as the Basel Convention. These changes could be proposed during the World Customs Organization's next review cycle, scheduled to begin in 2025. Reviews occur every five years and consider developments in technology and changes in trade patterns. Proposals could include the creation of new codes for textiles containing recycled content and upcycled textile products,[81] as well as broader proposals of a similar nature.

79 See Ellen MacArthur Foundation, *Pushing the boundaries of EPR policy for textiles (2024 Available at* https://circulareconomy.europa.eu/platform/sites/default/files/2024-08/Pushing%20the%20boundaries%20of%20EPR%20policy%20for%20textiles.pdf.

80 For further reading on waste code reform, see Habib, N.M., and Parris, H., "Reforming textile trade codes" paper (2024).

81 See Textile insights, "Indian Govt Moots Separate HSN Code for Recycled Textiles", 1 December 2023 Available at https://textileinsights.in/indian-govt-moots-separate-hsn-code-for-recycled-textiles/.

Design extended producer responsibility schemes to improve the business case of second-hand clothes sorting

Understanding the practicalities of transitioning to a network of EPR policies within the framework of national and international trade agreements is essential. It would be beneficial to explore ways to collaborate and provide technical and financial assistance to link EPR systems across countries, as well as to enhance the integration of EPR schemes with trade policies. Such discussions should occur in international forums, for example, as part of the ongoing negotiations for an international legally binding instrument on plastic pollution, including in the marine environment.[82]

A crucial element of this extension would be to require producers to contribute to a fund that supports collection, sorting, reuse, and recycling activities in importing countries. This would require agreement between the relevant governments and producers on a suitable mechanism for the funds, along with a solid legal and reporting basis to ensure their effective use.[83]

82 See UNEP, "Intergovernmental Negotiating Committee on Plastic Pollution" Available at Intergovernmental Negotiating Committee on Plastic Pollution | UNEP - UN Environment Programme.

83 See Ellen MacArthur Foundation, *Pushing the boundaries of EPR policy for textiles (2024).*

Increase consumer awareness to return to slow fashion

Run awareness-raising campaigns to encourage consumers to make more informed choices, such as purchasing fewer but higher quality clothes, renting rather than buying, sharing clothes with peers after use, and repairing or repurposing worn-out clothes. One example from the EU is the *Reset the Trend campaign (#ReFashionNow), launched in 2023 to raise awareness about sustainable fashion by telling stories of circular fashion actions that anyone can take immediately.*

Another critical area is protecting consumers from greenwashing. In Chile, this issue is being addressed using verifiable green claims, which are included in the country's draft circular economy strategy for the textile industry.[84] In the EU, both the Empowering Consumers in the Green Transition Directive and the Green Claims Directive aim to tackle greenwashing. The former bans misleading environmental claims, early obsolescence practices, and the use of unreliable and non-transparent sustainability labels,[85] while the latter requires companies to substantiate their green claims, comply with strict assessment requirements, and, if necessary, adjust their marketing if the claims cannot be supported.[86]

84 Chile's Draft Strategy for a Circular Textiles Sector by 2040
Available at https://www.complianceandrisks.com/blog/chiles-draft-strategy-for-a-circular-textiles-sector-by-2040/.

85 European Commission, *Directive of the European Parliament and of the Council amending Directives 2005/29/EC and 2011/83/EU as regards empowering consumers for the green transition through better protection against unfair practices and better information*
Available at https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022PC0143&qid=1649327162410.

86 European Commission, *Proposal for a Directive of the European Parliament and of the Council on substantiation and communication of explicit environmental claims (Green Claims Directive)*
Available at https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2023%3A0166%3AFIN.

Conclusion

International trade can be a contributor to building a global circular economy for textiles, which should be characterized by profitable domestic and cross-border flows of new and used clothing and their related materials. The challenge lies in ensuring that these flows are of the appropriate quantity and quality, which requires a shift in mindset from waste disposal to the circulation of products of value.

Countries that import waste textiles have attempted to restrict inflows for environmental, health and economic reasons, but these efforts have, to date, been largely unsuccessful. For example, bans eliminate all flows, preventing even high-quality used clothes from entering, and elevated tariffs are largely ineffective at stemming the inflow of low-quality textiles.

In this context, this study proposes a new type of technical regulation for the trade in used clothing. The primary aim of this regulation is to increase the trade in high-quality used clothing and reduce the flow of worthless textile waste. This study has also emphasized the challenges and limitations countries face when designing such regulations, outlining the principles that should guide them and the international trade agreements with which they must comply.

Technical regulations alone cannot solve the textile waste crisis. Addressing this challenge requires a fundamental reversal of the ultra-fast fashion model that dominates the clothing industry, reorienting it towards a circular rather than linear use of resources. However, technical regulations can make a tangible contribution. Countries seeking to make progress in this area can capitalize on growing momentum in the international arena and take concrete steps, both domestically and globally, to shape the policy, technological and industrial contexts necessary for these regulations to succeed.

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Building on the 2024 UNECE–ECLAC report Reversing direction in the used clothing crisis, this study explores design options for trade-related technical regulations that promote sustainability in the global trade of used textiles while remaining consistent with World Trade Organization (WTO) rules and other international obligations. In WTO terminology, a technical regulation is a mandatory document that specifies product characteristics or related production methods with which compliance is required, typically established to protect public interests such as health, safety, or the environment.

International trade can enable a circular economy for textiles by matching supply and demand for re-wearable clothing. Today, however, the system is distorted: ultra-fast fashion has driven volumes up and quality down; exporting countries struggle to separate rewearable items from waste; and importing countries face environmental, health and enforcement burdens.

This study outlines a practical path to correct these distortions by designing technical regulations - grounded in WTO rules and aligned with international standards - that raise the quality of traded used clothing and reduce the flow of textile waste.

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