

LEVERAGING TRADE TO ENABLE CIRCULAR TEXTILE VALUE CHAINS



Working Group on Circular Economy
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Sectoral focus: Textiles

Josphat Igadwa Mwasiagi
Moi University, Eldoret, Kenya

Intex Project



Components & Durations

- ❖ 2 Global and 3 in Africa
- ❖ Countries : Tunisia, Kenya and South Africa
- ❖ Duration: Sept 2020 – December 2024
- ❖ **Funded by EU** 
- ❖ **Co-finance : ITC (SITA)**

Other Activities

Project on trade and sustainable and circular textile value chains.

Case study: Kenya

Funded by : Norway



01

INTEX

Innovative Business Practices and Economic Models in the Textile Value Chain (InTex).

02

03

Main Activities

- ✓ **Policy analysis**
- ✓ **Eco-innovation and circularity**
- ✓ **Life Cycle Approach**

04



SUSTAINABLE AND CIRCULAR TEXTILE VALUE CHAINS:

LINKAGES WITH TRADE AND TRADE POLICY



Case Study:
Kenya

Trade and sustainable and circular textile value chains.

Case study: Kenya

What did we learn from the case study?

There is a connection between Sustainability/circularity and Trade Policies

Over dependence on Export/Imports may weaken the Local Supply Chains

Trade Agreements affect Sustainability/Circularity

There is a connection between Foreign Direct Investment (FDI) and Trade Competitiveness

Unfavorable trade policies could adversely affect the Sustainability of SMEs and Informal Trade in The Textile and apparel sector

What did we learn from the case study? Cont.

Connection between Sustainability/circularity and Trade Policies

- Alignment of trade policies and circularity strategies is important
- Synergy of Trade policy measures and removal non-tariff barriers is critical for circularity
- Regulatory measures of waste management could affect circularity if not properly aligned with circularity principles

Over dependence on Export/Imports may weaken the Local Supply Chains

- The value chains need a health balance between what is imported and exported .
- Balancing the trade benefits of second-hand clothes and circular economy principles is a challenge.

Concrete Recommendations from the Trade Case Study



1. Align Trade Policies with Sustainability Goals

- Introduce **trade incentives for eco-friendly textile** production and circular economy practices.
- Implement **trade-related sustainability measures** such as ecolabels and standards to encourage responsible production.

2. Facilitate Regional Trade in Sustainable Textiles

- Leverage the African Continental Free Trade Area (AfCFTA) to boost regional textile trade and develop sustainable sourcing networks.
- Encourage intra-African trade by reducing tariffs on locally produced textiles while ensuring sustainability requirements in agreements.

3. Review EPZ Regulations to Promote Circular Economy

- Revise policies to allow recycling and repurposing of post-industrial waste from EPZs, reducing textile waste.
- Develop incentive structures for EPZ manufacturers that integrate sustainability into their production processes.

4. Reduce Dependency on Imported Raw Materials

- Strengthen local cotton and synthetic fibre production to reduce reliance on imports.
- Provide incentives for local fabric production to improve self-sufficiency and trade competitiveness.

Concrete Recommendations from the Trade Case Study Cont.



5. Address the Challenge of Second-Hand Clothing Imports

- Develop a comprehensive **waste management strategy** to handle post-consumer textile waste.
- Introduce policies to ensure that second-hand clothing imports align with circular economy principles.
- Provide incentives for **mechanical fiber recovery** from end-of-life garments and the spinning of the recovered fibers

6. Encourage Green Investment and Trade Finance

- Establish dedicated **green trade finance programs** to support SMEs in adopting sustainable production models.
- Provide **tax incentives and trade facilitation measures** for investments in eco-friendly textile manufacturing.

7. Promote Sustainable Energy and Reduce Trade Barriers

- Streamline customs and trade facilitation procedures to remove unnecessary barriers to sustainable textile trade.
- Revise policies to allow for **co-generation for companies** that have installed solar panels



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THANK YOU!

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