

Illicit Trade Special Event

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**UNCTAD Trade and Development
Commission**

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WasteAid

*Delivering circular economy solutions
so that people and planet can thrive*



A young boy in a red striped shirt and dark shorts is walking towards the camera, carrying a blue plastic water bottle balanced on his head. He is on a dirt path that runs alongside a large, overflowing pile of garbage. The garbage includes plastic bottles, bags, and other debris, with some smoke or steam rising from it. In the background, other people are visible, some also carrying water bottles on their heads. The scene is set in a hazy, rural environment with some buildings and trees visible in the distance.

WasteAid is a UK based NGO and works with **communities** and **policy makers** in low and middle-income countries to implement waste management and recycling programmes that:

- Improve livelihoods for marginalised communities
- Promote circular economy innovation
- Build a cleaner and healthier future for all.

Impact Report 2022

14 Programme Interventions **ACROSS** **6** COUNTRIES



Human Impact

151,642

Positively impacted since 2020



Increased Infrastructure

- 1** New regional coordination structure convening formal & informal waste sector
- 55** New & strengthened recycling enterprises & waste management systems
- 10** Local authorities engaged

Livelihood Opportunities

81% Of training participant with improved livelihoods

214 People in work

Increased Skills & Knowledge

- 166** Attended workshops & training to build their skills and self-confidence
- 121** Entrepreneurs completed business incubation training
- 1,469** Attended circular economy webinars, networking events & campaigns

Supporting innovation

- 19** Waste entrepreneurs supported through seed funding
- 1,100** Circular Economy Network members
- £93,003** Invested in waste entrepreneurs
- 6** Challenge competitions

WasteAid's Impact 2022

Textile exports and illicit trade

- What are the links between illicit trade and second hand textile trade?
 - Current textile export market to Africa is well organised and profitable. £140m earned in tax revenues in East Africa based on 2016 figures.
 - In what circumstances is there Illicit trade of textiles?
 - From research despite the overall aim to reduce textile trade, illicit trade of textiles tends to appear where bans are in place.



Photo: Glen Wilson UNCTAD. Kampala 2024

2016	Kenya	Tanzania	Uganda	Rwanda	Burundi	EAC
*Used Clothing Imports – Value (USD)	124 million	62 million	**67 million	17 million	**4 million	274 million
****Used clothing – Total Jobs sustained	160,000	81,000	87,000	22,000	5,000	355,000
	130,000	67,000	72,000	Direct Jobs 18,000	4,000	
	27,000	14,000	15,000	Ancillary Jobs 4,000	1,000	
Used clothing – Current import tariff rates	35% or USD 0.40/Kg, whichever higher plus 16% VAT	35% or USD 0.40/Kg, whichever higher plus 16% VAT	35% or USD 0.40/Kg, whichever higher plus 16% VAT	35% or 2.5 USD/Kg – used clothing, whichever higher 35% or 5 USD/Kg for worn shoes, whichever higher + min charge of US\$ 5 for every pair of used shoe imported - plus 16% VAT	35% or USD 0.40/Kg, whichever higher plus 16% VAT	
Used clothing - Import Revenue – Indicative Value (USD) @ 35% + 16% VAT	63 million	32 million	34 million	9 million	2 million	140 million
*****Total Value (USD) of New Clothing Imports from China	875 million	316 million	21 million	3 million	2 million	1.2 billion
***AGOA exports - Value (USD)	394 million	37 million	2 million	2million	0.4 million (GSP)	435 million

Source: Compiled by the USAID East Africa Trade and Investment Hub

Textile exports and illicit trade

- How true is it that second hand clothes market is depressing local manufacturing?
- According to research, importation from global markets is likely to be having a bigger impact on local manufacturing capacity than imports from second hand clothes
- Access to second hand clothes is actually allowing countries in Africa to compete with cheaper imports of new clothes
- Some countries in Africa are producing clothing for affluent export markets rather than local markets



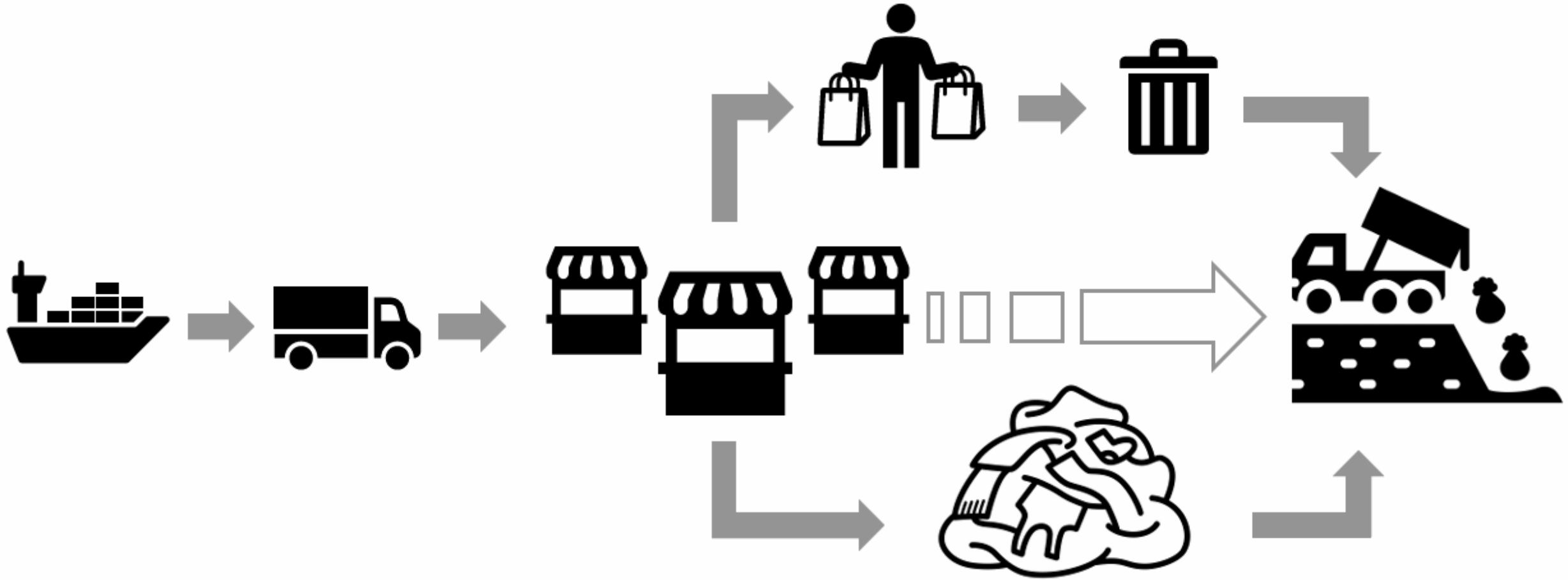
WasteAid approach: Circular Textile Project, Uganda

- WasteAid has received funding from Sustainable Manufacturing and Environment Programme (SMEP) to implement a Circular Textile Project in Kampala, Uganda
- How can our project feed into the growing body of knowledge on textile trade and its impacts (positive and negative) on economies?

Photo: Michelle Wilson, textiles at Kiteezi Land Fill Kampala



Uganda's second-hand clothing value chain is linear...



Annually, Uganda imports around 80,000T of second hand clothes. This provides a valuable source of affordable fashion. Due to a number of factors a proportion of these clothes do not reach customers (wrong size, unable to be altered or damaged in transit). These clothes can end up at landfill.

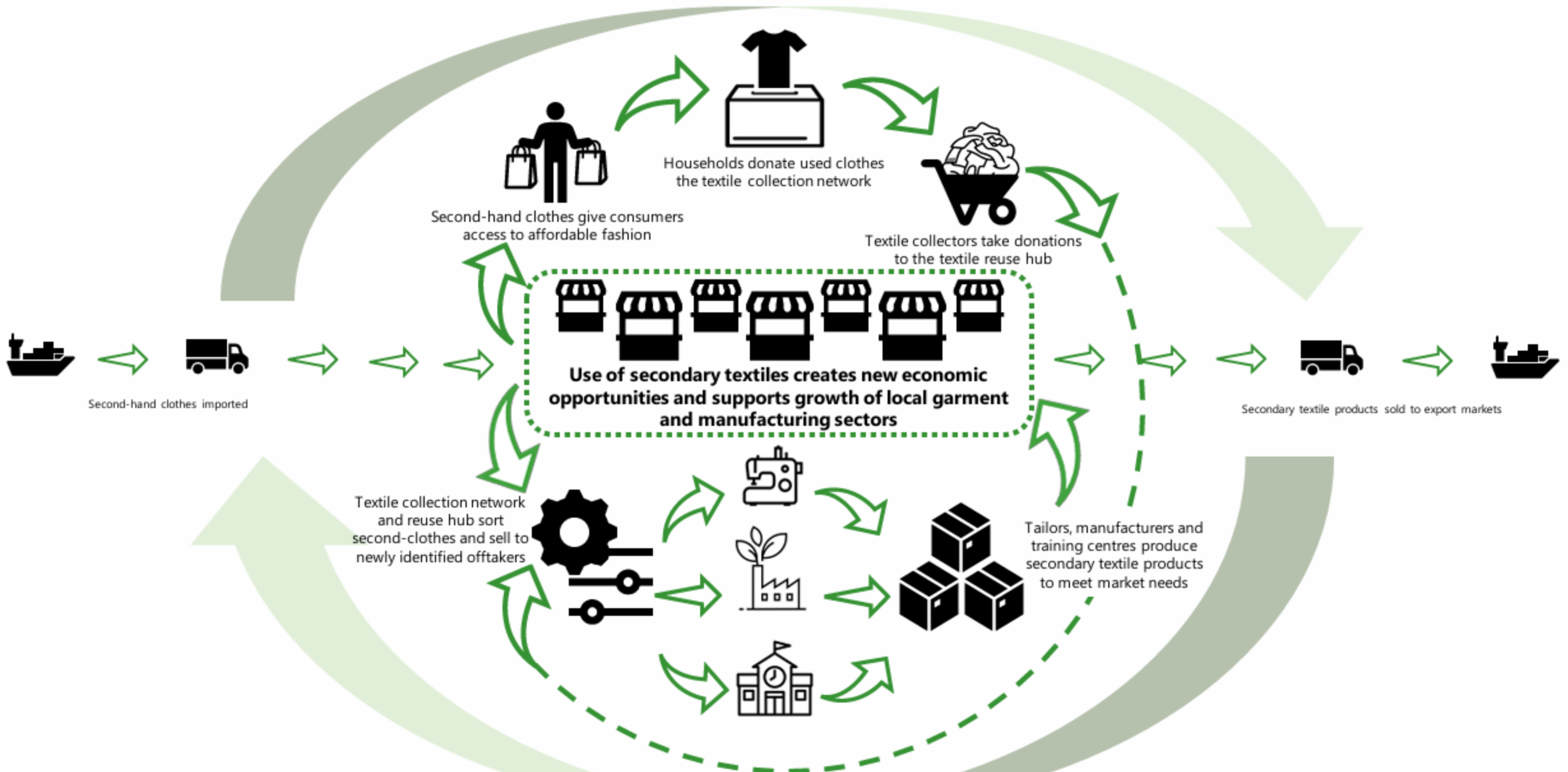


**... eventually everything
ends up in landfill,
dumpsites or burned.**



**Uganda Circular Textiles Project
will demonstrate how an
innovative, whole-system
approach can create jobs and
establish a commercially
sustainable circular economy in
the secondary textile sector**

The project will establish a collection network and reuse hub:



Project Objectives:

Commercially sustainable secondary textile **value chains** are developed around second-hand clothes markets across SSA to support domestic manufacturing sector

Reduced volume of second-hand clothes going to landfill contributes to **improved health of ecosystems** and **reduced air pollution**

Reduced open burning of waste contributes to **improved health outcomes** for **marginalised communities** near dumpsites and **reduced GHG emissions**

Use of secondary textiles reduces costs and creates **economic opportunities** for **women** and **young people**

Conclusion

- Research suggest that import bans tend to drive textile importation underground – this is where illegal trade is most visible
- The industry is supporting a lot of jobs, in East Africa alone provides an income to 500,000 people in the region.
- Second hand clothes seems to be the best way to complete with cheaper imports of new clothes (which create less jobs)
- Learning lessons – how can we make the existing trade in second hand clothes create even more value to the importing countries?





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