

# Circular Economy and Waste Management in Finland and Sweden: An EIR Overview

## [Environmental Implementation Review - European Commission](#)

The Environmental Implementation Review (EIR) is a European Commission initiative that regularly assesses how well each EU Member State implements environmental laws and policies. It identifies strengths, challenges, and good practices, and provides recommendations for improvement. The latest monitoring report was published in July 2025.

This paper provides a short comparison of the country reports of Finland and Sweden in the thematic area of circular economy and waste management.

## 2025 Environmental Implementation Review Country Reports – [FINLAND](#) and [SWEDEN](#)

**The circular material utilization rate (CMUR)** measures one aspect of the circular economy: the proportion of recycled waste in the total amount of material used in the economy. A higher circular material utilization rate means that more secondary materials are used as raw materials, reducing the environmental impact of acquiring primary materials.

In Finland, the rate has grown slowly since 2016 but dropped by 3 percentage points to 2.4 percent in 2023, while the EU average was 11.8 percent. Thus, Finland has the third-lowest circular material use rate in the EU, with only Ireland and Romania having lower rates. Although Finland's circular economy policy framework is being strengthened, implementation and additional measures are needed to reduce material consumption. Finland is among the countries at risk of missing the 2025 municipal waste targets, excluding packaging waste targets.

In Sweden, like Finland, the productivity of the circular economy of materials and resources is still lower than the EU average. Incineration is the most important waste treatment method (59%). The recovery of recyclable materials is low, which leads to a relatively low preparation for reuse and recycling rate. The circular material utilization rate in Sweden also decreased in 2023, reaching 9.9% in 2023.

**Resource productivity measures the relationship between the total amount of materials directly used by the economy and the gross domestic product (GDP). Enhancing resource productivity can minimize negative environmental impacts and reduce reliance on volatile raw material markets.**

In 2023, Finland's resource productivity was 0.97 €/kg of material consumed, while the EU average stood at 2.23 euros per kilogram of material consumed. Sweden's resource productivity is close to the EU average as the material consumed in Sweden in 2023 was 2.18 euros per kg.

Of the **investment needs** in Finland for the circular economy and waste, the majority of the total budget of EUR 1.5 billion per year is related to circular economy measures. In addition, EUR 0.4 billion is needed for waste management, which is generated by waste collection, recycling preprocessors, biowaste treatment, waste sorting facilities and the costs of digitalizing the waste register. This amount does not include investments that need to be made to introduce the circular economy and prevent waste generation throughout the economy. In order to achieve the environmental targets for the circular economy and waste, Finland must increase its investment in the circular economy by an estimated EUR 454 million per year, which is 0.17% of Finland's GDP.

Sweden needs to increase its investment in the circular economy by an estimated EUR 831 million per year to achieve its environmental targets for the circular economy and waste. In addition, EUR 71 million must be allocated to waste management activities outside the circular economy. The total investment need is 0.16 percent of Sweden's GDP. The majority of the additional investment need, EUR 613 million, is to unlock Sweden's circular economy potential.

***EU law sets mandatory recycling target for municipal waste. Both Finland and Sweden are in the category of countries at risk of missing the 55 % preparing for reuse and recycling target for municipal waste. However, neither are in the category of countries at risk of missing the 65% recycling target for packaging waste.***

In Finland, municipal waste generation has significantly increased over the past decade but dropped in 2022. In 2022, Finland generated 522 kg per capita of municipal waste, which is very close to the estimated EU-27 average of 513 kg per capita. Finland has made considerable progress in diverting waste from landfilling, but this has resulted in a significant increase in the incineration rate (56 % in 2022), while recycling has increased less.

Sweden's municipal waste generation remained stable in 2010–2019. In 2022, the country generated 395 kg of municipal waste per capita, which is significantly below the estimated European average of 513 kg per capita. Incineration is the predominant method of waste treatment in Sweden, accounting for 59 % of all waste treated.

EU Member States have the option to request a postponement of waste management target deadlines under certain conditions. Unlike Finland, Sweden made use of this option and notified the Commission in December 2023 of its decision to postpone the achievement of its plastic packaging targets until 2028. However, the submitted plan did not meet the requirements set out in waste legislation (EU Commission decision).

In 2022, Finland produced 160 kg and Sweden 130 kg **packaging waste** per person, the EU-27 average being 186 kg per person. In 2022, the reported recycling rate for total packaging waste was 60 % in Finland and 67 % in Sweden (EU-27 average 65 %). In both countries this is mainly driven by paper and cardboard and plastics packaging, as these are the largest packaging waste categories. It is, however, highly likely that the reported recycling rate for paper and cardboard packaging is overestimated in Finland, since it has been exceeding 100 % for several years

***The recommendations given to Finland and Sweden are largely similar, reflecting shared challenges in advancing the circular economy and waste management. For both countries, the emphasis was placed on increasing the use of circular materials, improving the collection and recycling of electronic and electrical waste, and promoting waste prevention measures.***

Priority actions in 2025	Finland	Sweden
Measures to increase the use of circular materials	✓	✓
Improve the collection and recycling rate of electronic and electric equipment waste	✓	✓
Invest in waste prevention measures to reduce the total amount of waste generated	✓	✓
Improve municipal waste preparation for reuse and recycling		✓
Further shift reusable and recyclable waste away from incineration, including through economic instruments		✓
Ensure the achievement of the 2025 waste targets	✓	✓

***Recommended priority actions in 2025 for Finland and Sweden***

## Conclusion

Despite differences in national contexts and waste generation levels, both Finland and Sweden face similar challenges in the transition towards a circular economy. Low circular material utilization rates, high reliance on incineration, and risks of missing key waste targets underline the need for stronger implementation efforts. While both countries have taken important steps to improve recycling and reduce waste, the Environmental Implementation Review highlights that more ambitious investment, policy measures, and systemic changes are required. The alignment in recommendations reflects shared structural issues that, if addressed through coordinated efforts and targeted action, could significantly enhance circularity and resource efficiency in both countries.

To support such efforts, the **Arctic Waste Forum** is planned to provide a cross-border cooperation network that brings together stakeholders facing common waste-related challenges in the northern parts of Sweden, Finland, and Norway. The Forum aims to facilitate the identification of joint solutions and the exchange of good practices between countries, reinforcing implementation and helping regions move more effectively towards circularity.