Position of the Stockholm Region Association for European Affairs on

EU Circular Economy Act

May 2026

Considering the European Commission's commitment in the 2024–2029 political guidelines to present a proposal for a legislative act on the circular economy, the Stockholm Region Association for European Affairs presents its position on the act's key principles, technical design and feasibility.

The metropolitan-area perspective

Local and regional actors are central to the implementation of the circular economy in Europe. The Stockholm region and its surrounding areas are uniquely positioned to lead the transition, as the region combines strong welfare, access to employment, knowledge and expertise. With a mix of city, countryside, archipelago and islands, the environment is attractive to people and businesses. The industrial value chains in the region, together with small and large subcontractors, form an important foundation for sustainable industrial systems. Through close collaboration between the public sector, academia and a growing ecosystem of start-ups, scale-ups, and climate and fintech companies, the region acts as a driving force for innovation environments. Environments where climate- and environmentally smart solutions can be tested, optimised and scaled up for long-term investments in the circular economy.

To ensure that these strengths are safeguarded in an environment adapted to the circular economy, the work on the legislative act requires local buy-in. Local and regional expertise is crucial to translating the Commission's ambitions and objectives into concrete and feasible measures. This is fully in line with the Commission's remit to design regulations that enable an effective single market whilst considering the differing circumstances of Member States and regions. The act should therefore be drafted in close consultation with local and regional stakeholders from the outset, to promote effective implementation, sustainable investment incentives and maximum climate and resource benefits, within the framework of the EU's competences and in accordance with the principles of subsidiarity and proportionality.

A legally binding act with local and regional roots creates clear added value at both local and European level. At the same time, it is crucial that strengthened EU legislation on circularity does not lead to unintended distortions of competition, such as an increase in imports of goods from third countries that do not meet equivalent requirements.

The Association's position summarised in three main points

1. Key principles that should underpin the legislative act: Firstly, the legislative act on the circular economy must integrate all principles of circularity across all sectors, ensure legislative coherence and recognises local and regional authorities as key stakeholders.

2. Technical specifications and design: Secondly, it needs EU minimum criteria for reuse and, where relevant, material recycling; strengthened producer responsibility in line with the polluter pays principle; and non-toxic material flows through increased chemical transparency.

3. Financing and feasibility: Thirdly, it requires targeted EU financing instruments and economic incentives for repair, reuse and circular infrastructure, and support for local capacity-building and innovation; as well as local and regional labour market initiatives with a clear social sustainability profile.

Key principles that should underpin the legislative act

- The Association **welcomes the Commission's initiative to develop a legislative act for circular economy.** Circularity should be integrated into all relevant sectors and industries in Europe to reduce environmental and climate impacts and increase resource efficiency, resilience and competitiveness. To make this possible, **all principles[1] for circularity must be included as an overarching framework** for the entire legislative act. It is essential to design and plan for long material and product lifespans, and to utilise and reuse existing materials as far as possible.

- Local and regional actors[2] play a crucial role in **capacity building, the development of sustainable and circular solutions, and in the management of necessary infrastructure and oversight**, and are therefore central to effective implementation. Through their solutions, the local and regional levels also contribute to increased resilience in critical supply systems.

- It is crucial that the legislative act **ensures consistency with existing EU legislation and creates incentives** for business models[3], jobs and procurement based on, for example, but not limited to, life-cycle perspectives and environmental product declarations. The legislative act should therefore **build on a systems perspective and principles in line with the EU's action plans for the circular economy**, with the aim of strengthening the regional and local economy and, ultimately, Europe's competitiveness.

- The legislative act **must clearly respect the principle of subsidiarity and apply a flexible, place-based framework** adapted to local and regional conditions. This is because local and regional authorities are supervisory bodies but also key enablers of the EU's single market. To create a well-functioning single market, it is therefore **essential that the role of local and regional authorities in the value chain is clarified**. The legislative act must consequently be consistent with existing EU legislation[4] to reduce administrative burdens.

[1] **Example:** The Stockholm region applies integrated R-strategies that guide efforts to reduce resource use and waste by extending product lifecycles and using materials more efficiently, including through the Klimatarena initiative in the construction and civil engineering sector.
[2] **Example:** This is particularly evident in the Swedish context, where municipalities are responsible under national legislation for the supervision of waste streams in accordance with the Environmental Code and the Waste Ordinance, and act as key hubs for the implementation of material flows.
[3] **Example:** On Gotland, cement production in Slite accounts for around 10% of Sweden's industrial carbon dioxide emissions, making circular solutions and local renewable energy particularly important.
[4] **Example:** The legislative act should clearly address the EU's regulatory framework on waste, products, chemicals, critical raw materials, public procurement and corporate sustainability reporting, as well as due diligence (in particular: CSRD). to reduce administrative burdens.

Technical structure and design

- To reduce waste and consumption-based emissions, the Association sees a need, in addition to new targets for electronic waste, for **binding EU-wide minimum criteria for recycling and reuse**. This should apply to resource-efficient and priority sectors such as electronics, construction waste, textiles, plastics and furniture, where technically feasible. Companies should be clearly required to integrate circularity into their business models, for example through **EU-wide minimum reuse quotas, requirements to switch to reusable products, requirements for reuse and, where relevant, the use of recycled materials**[5]**.** Particularly in the construction and civil engineering sectors, as well as the healthcare sector, which require large amounts of resources, the application of circular principles contributes to robust sustainable material flows, as well as reduced dependence on primary commodities.

- Today, Swedish municipalities and regions, through their tax revenues, bear a large proportion of the costs of managing waste streams. The legislation should therefore be based on **strengthened and extended producer responsibility in line with the polluter pays principle.** Producers should, to a greater extent and for the waste streams identified in the legislative act, bear the costs arising in connection with collection, sorting, reuse, material recycling, final treatment, and the necessary administration and environmental impact analysis.

- An extended producer responsibility scheme should additionally cover more **waste streams within and between Member States and be based on common indicators and reporting requirements** to enable the comparison and monitoring of different material flows. The legislation should, without requiring comprehensive local or regional collection responsibility, **clarify that local and regional actors are responsible for supervision and the provision of existing infrastructure**, whilst producers are required to assume greater financial responsibility. This includes, where necessary, the creation of new infrastructure and new collection systems.

- An important prerequisite for optimised material flows is that products and materials are free from harmful chemicals and that information on their content is available. The legislation should therefore **be specifically aligned with the EU Chemicals Strategy for Sustainability and clearly address the risks associated with the release of hazardous substances** during reuse and material recycling, particularly in relation to electronics, construction, plastics and textiles.

- The Association sees a strong need for **binding, EU-wide minimum criteria for non-toxic recycling.** Increased transparency and clear traceability regarding chemical content, through the local implementation of digital product passports, and stricter bans on particularly problematic substances such as PFAS and persistent organic pollutants, are crucial to preventing the spread of existing chemicals and promoting non-toxic solutions. The Association **welcomes clear guidelines for measurement and tracking via chemical analysis and screening** to avoid both today's and tomorrow's legacy chemicals and to ensure supervision and quality assurance within the value chain.

[5] **Example:** The Swedish construction sector lacks requirements that encourage reuse and circular procurement, as Sweden's Planning and Building Act (PBL) does not impose such requirements and climate declarations are not driving development at a sufficient pace.

Funding and feasibility

- For the circular economy legislation to have a significant practical impact**, targeted funding solutions and economic instruments are required to enable local implementation** and scaling of environmentally and climate-smart solutions at EU level. Financial incentives for repair and reuse can help lower the barriers to investment at scale in infrastructure for sustainable value chains[6]. Financial support for reuse centres for construction waste, textiles and electronics, as well as for **local and regional labour market initiatives with a clear social sustainability profile, should be prioritised within the framework of the new EU budget.**

- An expanded circular economy **requires both public and private actors to build up and continuously maintain the technical capacity for data collection, reporting and monitoring.** These are obligations that go beyond existing commitments and are not covered by current funding instruments. Without financial support for these new requirements, local and regional actors risk lacking the capacity to put the legislation's ambitions into practice. The Association therefore **emphasises that EU funding needs to be long-term and stable to have a real impact at local and regional level.**

- EU funds play a **central role in building capacity and reducing risks associated with material flows during the transition.** Targeted and coordinated funding opportunities[7] can strengthen skills development, innovation, construction and advanced waste management. Earmarking resources could increase the economic and social impact of the legislative act. The legislative act should therefore **clearly support long-term investments in capacity, including in sectors vital to society, such as critical infrastructure, water and sanitation, and healthcare**, where solutions can strengthen supply resilience, robustness and access to critical products.

- At the same time, experience from local and regional projects, including in the construction and civil engineering sector, highlights the **need to remove market barriers and enable the classification of certain material flows as products rather than waste.** A clear example includes construction and infrastructure projects that generate surplus soil and rock[8]. It is **essential that these flows can be classified as products rather than waste** to enable reuse and an integrated cycle.

- Innovative solutions, such as **digital marketplaces for the circular economy**, are currently being developed in the Stockholm region. These present a **major opportunity for the development of prop-tech solutions, where reuse is further facilitated by marketplaces with seamless transactions.** At the same time, these types of digital platforms collect essential statistics on both economic benefits and emissions savings.

[6] **Example:** At local and regional level, bonus-penalty models and other financial incentives have served as effective tools for steering the market towards more resource-efficient alternatives. Financial support for reuse centres for construction waste, textiles and electronics, as well as support for local and regional labour market initiatives with a clear social sustainability profile, should be prioritised within the framework of the new EU budget.
[7] **Example**: Initiatives within the EU's research and innovation framework FP10, the EU Competitiveness Fund, Interreg and national and regional partnership plans are of particular importance. can strengthen skills development, innovation, construction and advanced waste management.
[8] **Example:** The City of Stockholm has established an internal construction logistics centre and a bulk logistics centre to manage material flows to various construction projects. Region Stockholm and the City of Stockholm are also exploring opportunities to establish, through a pilot programme, a large-scale reuse centre for heavy construction elements for multiple stakeholders.