

POLICY BRIEF

Effective waste prevention needs policies targeting the entire value chain

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Waste prevention aims at transforming today's waste challenges into tomorrow's circular economy

The Vision 2030 of the Nordic governments aims at turning the Nordic region into the most sustainable and integrated region in the world. Global climate and biodiversity challenges call for more effective measures and the circular economy provides tools for turning today's waste problem into a more sustainable future.

The waste hierarchy, which EU and Nordic waste policies build on, emphasizes waste prevention and reuse as top priorities. Waste prevention means **reducing quantities of waste** but also **minimizing the negative impacts of waste on the environment** and **reducing the content of harmful substances** in materials and products.

Current Nordic waste policies and practices still emphasize recycling more than waste prevention. While recycling plays an important role in the circular economy, it should not be seen as the main solution: as part of the collection, sorting, and recycling chain, the quality of materials often deteriorates. Recycling processes and logistics also require substantial amounts of energy, offsetting some of the benefits gained from using recycled materials.

Contrary to recycling, waste prevention and reuse measures primarily focus on the production and consumption phases, seeking to transform their dynamics. By extending the lifespan of products and materials through reuse, repair, refurbishment, upgrading, and different kinds of new ownership models, waste prevention aims to reduce the overall need for raw materials (Figure 1). Achieving this transformation requires behavioral change and strong societal commitment.

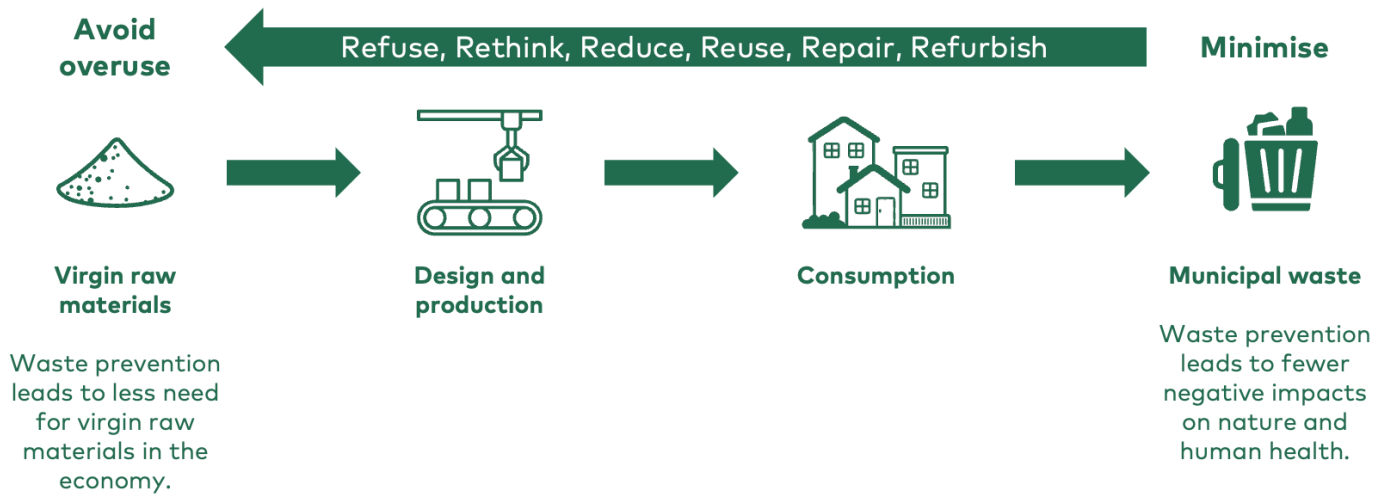


Figure 1. Effective waste prevention requires a shift from recycling-focused policies to covering the full product lifecycles.

Existing waste prevention measures are mostly based on voluntary commitment

An overview of current measures and steering instruments for waste prevention and reuse in the Nordics showed that measures are mostly informative and based on voluntary commitment of producers, consumers and the society.

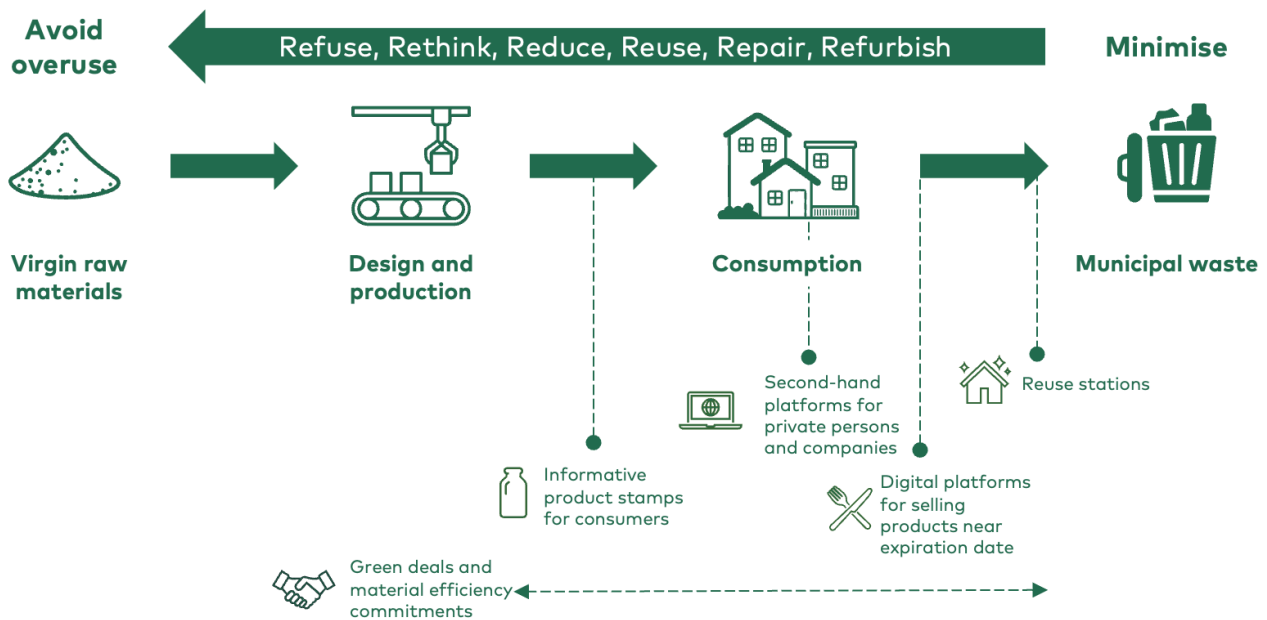


Figure 2. Examples of effective and feasible waste prevention measures in the Nordics.

Some good and scalable examples include (Figure 2):



Green deals and material efficiency commitments:

Commitments made by industry and industry organisations aiming to enhance resource efficiency, sustainability and decrease environmental impacts in value chains. *Example: The Material Efficiency Commitment of the food and packaging industries and the food retail sector in Finland. It includes goals such as a 50% reduction in food waste by 2030, decreasing plastic in containers, and promoting package reuse.*



Reuse stations: Municipalities can provide reuse stations for used items that are not damaged. It is free to pick up items from these stations. *Example: Pop-up reuse stations in Stockholm.*



Second-hand platforms for private persons and companies:

Providing market places for selling products for reuse. *Examples: Finn.no in Norway is the largest second-hand platform in Norway for both private persons and companies. It is exceptionally broad in scope, including everything from properties to various commodities.*



Digital platforms for selling products near their expiration date:

Aiming to minimise the waste of the food and commodity sectors. *Example: the Too good to go app in Norway, or ResQ in Finland. Food waste is reduced from restaurants, cafés and hotels by selling surplus foods and drinks through the app.*



Informative product stamps for consumers: Aiming to help the consumer to understand that some foods and drinks are good to use after the expiration date. *Example: "Best before but not bad after" stamp on Norwegian milk cartons.*

Economic tools can accelerate the transition, but not on their own

Textiles constitute a relatively substantial proportion of household waste, and the sector is linked to global challenges of overproduction and -consumption. It is therefore imperative to find more effective policies to reduce both quantities and the environmental impacts of waste, as well as hazardous substances in textile materials.

A comparison of three economic tools (fees, tax reductions, and subsidies) for the textile sector shows that a combination of different measures is needed to drive change (Table 1). Economic steering has strong informative value even when the direct economic impacts are less obvious. It is challenging to raise the costs so much through existing economic steering tools that it would make a significant difference on its own. Fees have the best potential in this, but are associated with risks of raising social inequalities, if they are targeted everyday commodities. Adjustments to VAT do not provide strong economic incentives but can provide strong messages of political will. There is a need for a cultural shift that fosters awareness and responsibility as the success of circular economy business models is heavily dependent on consumers. Economic instruments that incentivize reuse, repair, and rental services can help to steer attitudes and behavior to more sustainable direction in the long run.

Table 1. Evaluation of three economic instruments for waste prevention in the textile sector.

Economic steering instrument	Targeted fees for fast fashion	VAT reduction for second-hand trade and repair services	R&D funding for developing new circular business models
Implementing the economic policies: why, who and how?			
Why should this be implemented?	To reduce the production, import and sale of unsustainable textile items. This economic instrument would directly target overconsumption and overproduction . The fees would demonstrate through political guidance that fast fashion is not considered to be sound.	To encourage prolonging the use phase of textile items and make purchasing second-hand products more attractive.	To accelerate market-based activity where value creation is detached from the use of (virgin) resources .
Who can implement this?	The government and the administrative sector of finance departments in collaboration with the environmental department in charge of EPR.	The government and the administrative sector of finance departments.	The government and public innovation and business funding agencies, possibly together with private investors.
Who will benefit?	Companies whose products receive high ratings in the ranking system gain a competitive advantage and even direct financial bonuses compared to those that are ranked lower, who will have to pay eco-fees for their products.	Consumers can benefit from more affordable repair services, leading to lower costs for maintaining textiles instead of buying new items. Second-hand and repair businesses may see increased demand.	Companies engaged in developing circular business will benefit from opportunities for new innovations, increased competitiveness, and risk reduction .
Obstacles for implementation	Defining what constitutes 'fast fashion' can be complex. This ambiguity may complicate the application of fees. Free riders (actors who do not register as part of the system) might also be a problem. Moreover, there is concern that low-income consumers may be disproportionately affected.	There are no major obstacles, but previous research suggests that VAT differentiation may have a limited impact on waste prevention . It remains uncertain whether, or to what extent second-hand purchases actually replace new purchases.	The biggest drawback is the uncertainty of results and impacts , i.e. the instrument does not provide any direct impacts on waste prevention, and results occur only in the longer run. Even good business ideas might not survive scaling after the initial phase, limiting their long-term impact.

How can it be done?

The first step is **to gather insights from the French example** and consider how similar fees could be implemented locally in the Nordic countries as part of ERP for textiles.

This instrument **could be relatively easily applied** in Nordic countries. Several EU countries, including Sweden, have already reduced VAT on repair services or second-hand products.

There are already established national and regional development programmes, as well as public innovation and business funding agencies that support businesses' R&D activities. Requires targeting of funds towards these topics.

Implementing the economic policies: effectiveness and applicability

Applicability

Medium (requires a set of criteria similar to those already in use in France)

High (has been tested, and all Nordic countries work with differentiated VAT schemes)

High (instruments are already in use in all Nordic countries and can be improved)

Impacts on volumes of waste

Medium

Low

Low

Positive impacts on environment

Medium

Low

Low

Impacts on harmful substances

Medium–High

Low

Low

Summary of potential for waste prevention

The tool has the highest direct potential for impact of the instruments analysed, although no calculations of actual impacts were found. The tool combines EPR with negative economic incentives for producers who do not comply and information steering (marketing bans) for the market, showing that economic tools have higher potential when combined with other steering tools.

No evidence of a direct impact on waste. The price difference is not expected to affect consumer choices. However, businesses engaged in models that would be impacted by the change consider the tool to be important. For this reason, it would make sense to consider it as part of a larger policy package of incentives supporting the shift from linear to circular economic logic.

No evidence of a direct impact on waste but is considered an important tool for accelerating the transition from linear to circular economy. With more viable circular business models, it is expected that impacts on waste should occur over time.

How to build an effective roadmap for waste prevention?

To bridge the gap from today's waste challenges to tomorrow's circular economy, we need well-targeted and robust measures that tackle the core issue of overconsumption of virgin natural resources. The following steps will help lead development in this direction:

1. **Revise existing strategies:**

- i. Review what waste prevention actions are already present in the national waste policies and how these are monitored and evaluated for impact.
- ii. Assess what targets and measures for waste prevention in the production-consumption phase should be strengthened in the waste plan and exchange knowledge between the countries on this.

2. **Aim high, start with easy steps:**

- i. Keep the focus on systemic change toward the circular economy and aim to identify impactful leverage points for policy actions.
- ii. Assess which of the 'low-hanging fruit' measures could be easily implemented.
- iii. Implement a couple of these at Nordic level, facilitating joint monitoring and evaluation of impacts.

3. **Anticipate and make the change:**

- i. Discuss how the Nordic countries can share experiences and collaborate on interpreting and implementing upcoming EU regulations.
- ii. Discuss which of the economic instruments reviewed in the [report](#) would best support and strengthen the forthcoming EPR schemes, to ensure that they can make a real difference.

4. **Provide clear messages:**

- i. Use information steering as a necessity for achieving the needed behavioural shift in overproduction and consumption patterns. While most economic instruments (when studied in isolation) might not have massive impacts in terms of savings or environmental benefits, they can drive a shift when used in combination.
- ii. Discuss which economic steering instruments would provide strong messages of political will and choose to start with these.

5. **Pilot a toolbox of economic steering instruments that have been tested elsewhere, using the examples analysed in this [study](#), for example:**
- i. Enforce eco-fees on unsustainable products (which drive excessive use of natural resources or where the origin and material cannot be tracked).
 - ii. Enforce tax exemptions or subsidiary systems (like vouchers) for repair services, strengthening the message that reuse is politically supported.
 - iii. Consider lowering VAT for second-hand products (strengthening the message that reuse is politically supported).
 - iv. Drive ERP systems to more directly support waste prevention rather than merely covering waste management costs of products.
 - v. Continue targeting innovation and business funding towards developing viable business models that are decoupled from increased material use.

About this publication

Effective waste prevention needs policies targeting the entire value chain

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