



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE **Deposit Return Scheme – Application for Deposit Management Organisation**

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BY **Huw Irranca-Davies MS, Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs**

On 18 November 2024, I announced the next steps in developing a Deposit Return Scheme (DRS) for Wales. That announcement set out how we would work to implement a scheme that delivers for Wales - for our environment, our economy and our communities for decades to come. Today, I am pleased to be announcing the next key step in Wales' DRS journey as we commence the process to appoint a Deposit Management Organisation (DMO) to run our scheme.

Following my statement last year, we have undertaken extensive engagement with a wide range of businesses, representative organisations, individual sectors, recycling and reuse organisations, the Welsh Local Government Association and environmental organisations to inform our approach. As outlined in my statement in July, this engagement highlighted industry's strong preference for aligning the implementation dates for the Deposit Return Schemes within the UK. It also highlighted the need for a phased approach to glass and the introduction of reuse to manage the difference in the scope of Deposit Return Schemes, caused by the previous UK Government.

As a result, we have made adaptations to the scheme that will both ensure we can bring forward a DRS that delivers clear benefit to Wales, by supporting the transition to reuse and building upon our world class recycling, whilst also taking a pragmatic, phased approach on glass and reuse to ensure interoperability within the UK. These changes will also avoid the significant risks and impacts that industry have outlined would result in the scenario where Deposit Return Schemes are implemented within the other nations but not in Wales.

We have accelerated the development of our scheme in response to the call from industry. As part of this, we have also listened carefully to their calls to commence the process to appoint the DMO as early as possible. This will provide the maximum time available for the implementation of the scheme following the DMO's appointment. I am therefore very pleased to announce that the application process for the DMO will open tomorrow (Friday 28 November), with the deadline for applications being Friday 23 January 2026. The commencement of the application process is being done in parallel with the work to bring forward the regulations, which will be laid before the Senedd in February next year. Subject to the DRS Regulations being approved by the Senedd, the successful applicant can then be appointed by the Welsh Ministers from March 2026. This approach mirrors that taken by the UK Government in the development of their regulations and appointment of the DMO for England.

With Wales already amongst the world's best recyclers, it is vital that we draw from the world's best schemes to ensure DRS will build on our already high recycling performance. With the best schemes internationally already delivering reuse at scale, the ability to support the transition to reuse and move *Beyond Recycling* is central to our scheme and essential to delivering added value for Wales. Reusing materials through a DRS reduces the need to extract raw materials, supports containers to be used multiple times over and can therefore support producers to be more resource efficient, whilst also reducing litter and carbon emissions and saving energy.

Reuse is not just good for the environment; it is also an economic opportunity that can reduce costs for producers, create new green jobs, strengthen supply chain resilience and bring the opportunity to retain greater economic added value within Wales and the rest of the UK. It can also help contribute to lower living costs and reduced inequality.

We have agreed to a phased approach to reuse in the scheme and committed to undertaking a further public consultation to inform our approach. This consultation closed on 10 November 2025, and the responses will help to shape the approach to the phasing in of reuse as a core part of the scheme.

Lastly, I want to also acknowledge the feedback from industry on the importance of ensuring there is clarity of law and certainty for businesses. This is crucial to the effective operation of all Deposit Return Schemes across the UK. The Welsh Government has therefore formally proposed an exclusion for the Deposit Return Scheme in Wales to the United Kingdom Internal Market Act 2020 (UKIMA), noting that the scope of the scheme is fully within devolved competence. We have also been clear that should that exclusion as requested not be agreed, this would lead to the scenario where there would be no DRS in Wales, and as such an exclusion would be required for the schemes in other nations.

With the completion of the WTO notification process on 16 November and the start of the DMO appointment process, we have reached another major milestone in bringing forward a DRS that delivers for Wales. A DRS which will not only bring forward clear environmental benefits but will also bring economic opportunities for green growth whilst supporting our transition to a zero-waste and net zero Wales. By

continuing to work collaboratively, we can implement a scheme that benefits our citizens, supports the economy and in turn your organisations, and the improves our environment for our future generations .