

THE OCEAN



Policy in practice

DEPOSIT REFUND SCHEMES

Regions: [Oceania](#) | [MENA](#)

Countries: [Australia](#) | [Israel](#) | [Ecuador](#) | [United States](#)

Tags: [Circular economy](#) | [Extended producer responsibility](#) | [Plastic](#)

Theme: [Pollution](#)



Responsible consumption and production



Life below water

Policy in practice

Deposit refund schemes (DRS), which have been used for many years for glass bottles, are also sometimes applied to plastic beverage bottles. A deposit fee is charged at the point of purchase, and refunded to the purchaser when the bottle is returned via a specifically designed system. Although such schemes do not typically have a specific chemical-related aspect in their design, they nevertheless help to capture a specific type of material for recycling, thereby facilitating effective and efficient collection, reducing littering/material leakage and enabling reuse or recycling, which in turn encourages higher quality, purer secondary material that is not contaminated with other material or chemical additives. In the case of material that can be reused (e.g. refillable glass or PET bottles) or reprocessed multiple times into the same product, DRS can create closed material loops, whilst in other cases it can facilitate the capture of material for recycling into other products (e.g. PET bottles into man-made textile fibres). Some examples of DPRs include:

- A container deposit scheme in South Australia which applies an AUD 0.10 refundable deposit to beverage containers has led to a three-fold reduction in the number of beverage containers becoming litter on beaches.
- In 2001, Israel introduced a deposit refund law that applies a deposit of ILS 0.25 to glass and plastic containers smaller than 1.5 litres. A cost-benefit analysis in 2010 concluded that the law had had a positive impact, with total benefits exceeding total costs by around 35%, and potentially greater benefits if the scheme were also applied to larger bottles.
- In Ecuador, a refundable USD 0.02 deposit paid per PET beverage bottle (in 2011) led to a significant increase in PET bottle recycling, increasing from 30% in 2011 to 80% in 2012, when 1.13 million of the 1.4 million PET bottles produced were recycled.
- The USA has no federal legislation on bottle refund schemes, but several States have introduced 'bottle bills'. The California Redemption Value (CRV) is USD 0.05 for containers smaller than 0.7 litres and USD 0.10 for larger containers. Since its introduction in 1987 it is estimated that 300 billion aluminium, glass and plastic beverage containers have been recycled.

Source report

[Watkins, E., et al. \(2019\), "Policy approaches to incentivise sustainable plastic design", OECD Environment Working Papers, No. 149, OECD Publishing, Paris.](#)

Key policy message

Deposit refund schemes can help facilitate waste collection, reduce littering and material leakage and encourage recycling.

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