



# **The Global Chemical Leasing Award**

**A joint initiative of**

**United Nations Industrial Development  
Organization**

**and**

**the Austrian Federal Ministry of Agriculture,  
Forestry, Environment  
and Water Management**

**Summary:**

Within the framework of the Global UNIDO Chemical Leasing (ChL) activities, UNIDO in close cooperation with the Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management (BMLFUW) developed an international award for ChL and launched it on 13<sup>th</sup> May 2009 during the ICCM-2 meeting in Geneva.

This ChL Award is the first award of this kind and recognizes successful ChL implementation at company level and publication and promotion activities through four categories: (1) case studies (companies), (2) consulting services, (3) scientific publications, and (4) public relations (reports, media, brochures, websites).

It aims at globally enhancing the visibility of ChL, at encouraging innovative applications of the concept and at acknowledging contributions to disseminate the business model. It will be first awarded in 2010.

Annex 1 – Guidelines for the ChL Award

Annex 2 – Members of Award Jury

## **Guidelines**

### **The Global Chemical Leasing Award**

#### **Introduction and background**

Globalization, changing patterns of consumption and production and increased environmental concerns create new challenges for companies worldwide. Integrated and innovative approaches for materials management are required to pursue sustainable economic and ecologic objectives and to succeed in the global market. Chemical Leasing creates an ideal business environment to tackle the challenges of the changing global context and offers concrete solutions for the sound management of chemicals and the reduction of emissions to the environment.

The award follows the Chemical Leasing definition developed by UNIDO:

*“Chemical Leasing is a service-oriented business model that shifts the focus from increasing sales volume of chemicals towards a value-added approach.*

*The producer mainly sells the functions performed by the chemical and functional units are the main basis for payment.*

*Within Chemical Leasing business models, the responsibility of the producer and service provider is extended and may include the management of the entire life cycle.*

*Chemical Leasing strives for a win-win situation and aims at increasing the efficient use of chemicals while reducing the risks of chemicals and protecting human health. It improves the economic and environmental performance of participating companies and enhances their access to new markets.*

*Key elements of successful Chemical Leasing business models are proper benefit sharing, high quality standards and mutual trust between participating companies.”*

The Chemical Leasing approach promotes the sustainable management of chemicals, boosts economic performance and grants access to new markets. It closes the material cycles between suppliers and users of chemicals and creates economic benefits and environmental advantages for both. The producer/supplier mainly sells the functions performed by the chemical along with the associated specialist know-how. This results in the optimization of process conditions and amounts of chemicals used and can easily incorporate disposal, recycling concepts and comprehensive risk management.

Some elements of Chemical Leasing also exist in other service-oriented business strategies (e.g. Chemical Management Services, Single Source Supply), but the process optimization and quality control related to environmental performance is usually a distinctive feature of Chemical Leasing. In addition, Chemical Leasing is not only an innovative business model but also supports the objectives of many international environmental and economic policy regulations.

Since chemical products provide a broad variety of services (such as cleaning, coating, coloring and degreasing), the Chemical Leasing model is applicable in a multitude of industry sectors in large companies as well as in small and medium-sized enterprises.

During the last few years, Chemical Leasing business models have been developed and successfully applied in Austria. The results obtained have shown that the implementation of Chemical Leasing has high potential to enhance the efficient management of chemicals and significantly reduce harmful emissions. To demonstrate the applicability of these models in developing countries and countries with economies in transition, the UNIDO Cleaner Production Programme – supported by the Austrian government – launched its first Chemical Leasing initiatives in three countries (Egypt, Mexico and Russia) in 2005. Additional Chemical Leasing projects were started in 2008 in Colombia, Sri Lanka, Serbia and Morocco.

The Global Chemical Leasing Award is the first award of its kind. It recognizes and awards successful Chemical Leasing implementation, publication and promotion activities. With the establishment of this award the awareness for the potential and importance of Chemical Leasing will be raised. It aims at globally enhancing the visibility of Chemical Leasing, at encouraging innovative applications of the concept and at acknowledging contributions to disseminate the business model. The award aspires to contribute to the greening of industries, to support the sound management of chemicals and to inspire companies around the world to engage in Chemical Leasing practices. The award winners will be beacons to the international community representing excellence in chemicals management.

#### **Awarding procedure**

The award will jointly be organized by the United Nations Industrial Development Organization (UNIDO) and the Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management (BMLFUW). The award will be announced at an ICCM 2 side-event in Geneva in May 2009. The final award ceremony will take place in 2010. The first place winner in each category will receive prize money of USD 5,000. In addition, an honorary award will be given to the winners in each category.

#### **Award jury**

The jury consists of six members, nominated by UNIDO and BMLFUW. All jury members offer a profound understanding of Chemical Leasing strategies and have first-hand experience of implementation and promotion practices. Details on the award jury members can be found in Annex 2.

#### **Award categories**

The award comprises four categories, namely (1) Case studies (companies), (2) Consulting services, (3) Scientific publications and (4) Public relations (reports, media, brochures, websites). Specific selection criteria and weighting factors are defined for each category.

#### **Evaluation criteria**

The evaluation criteria are set up in strong alignment with UNIDO's Chemical Leasing definition. Each criterion will be evaluated on a 0 – 4 scale (0 – insufficient and 4 – excellent) and multiplied by a defined weighting factor. For the total category score all activities within one category will be added. Only activities that exceed the minimum score of 2.5 will be considered for nomination.

#### **For categories 1 and 2:**

Environmental, economic and other business benefits should be demonstrated by all actors involved according to the UNIDO definition of Chemical Leasing. Partners should be able to provide clear evidence of improvement in their environmental performance, such as the reduction of emissions, decreased consumption of chemicals/raw materials/energy and risk reduction. There should be a significant reduction of costs at either or both the chemical supplier and its customer. Additionally, the partners may present other business benefits from

applying Chemical Leasing such as quality improvement, compliance with REACH or other regulations.

The status quo before Chemical Leasing consultancy and implementation will serve as the baseline for comparison.

### **Category 1: Case studies (companies)**

#### **Criteria:**

##### **Implementation status (weighting factor 0.5)**

Only projects which the partners have agreed upon and for which Chemical Leasing contracts have already been signed will be given consideration. The project should be in its initial implementation phase or beyond. Partners should provide assurance that the Chemical Leasing project will be sustained and developed for a certain period of time. The speed of implementation and effectiveness of cooperation between the partners will also factor into the evaluation.

##### **Impact (weighting factor 0.3)**

The project should significantly impact economic and ecological aspects of the companies involved and additionally set an example for best practice within the entire industrial sector.

##### **Innovation/novelty (weighting factor 0.2)**

There should be substantial innovation in the way chemicals are used during the production process as a result of the Chemical Leasing arrangement: a shift from product-oriented to service-oriented partnership should be demonstrated inter alia by a detailed description of the functional unit the business is based on.<sup>1</sup> Additionally, the novelty of application with regard to chemicals and industry sectors will be taken into account.

### **Category 2: Consulting services**

#### **Criteria:**

##### **Implementation status (weighting factor 0.2)**

Only projects which the partners have agreed upon and for which Chemical Leasing contracts have already been signed will be given consideration. The project should be in its initial implementation phase or beyond and should build on a long-term strategy. The consultancy services should have been provided along the way from negotiations to contract and if applicable to application and monitoring.

##### **Innovation/novelty (weighting factor 0.2)**

There should be substantial innovation in the way chemicals are used during the production process as a result of the Chemical Leasing arrangement: a shift from product-oriented to service-oriented partnership should be demonstrated. The focus of the consultancy service should also include applications of Chemical Leasing in new industrial sectors and for different chemicals.

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<sup>1</sup> This unit reflects the functions or services the chemical(s) involved perform, thus replacing product-based units like “barrels”, etc. Examples of such units are “square meters of surface cleaned/coated”, “hours of operation”, “number of pieces treated”, etc.

**Impact (weighting factor 0.1)**

The project should significantly impact economic and ecological aspects of the companies involved and additionally set an example for best practice within the entire industrial sector.

**Multiplication potential (weighting factor 0.3)**

Partners should demonstrate that the proposed Chemical Leasing project can also be replicated at other companies and organizations. The scope of the project should extend beyond the immediate benefits for the partners who are directly involved. A description of the project management structure of the consulting work shall be part of each application.

**Consulting – Feedback from companies (weighting factor 0.2)**

The consulting service should be of the highest quality and to the satisfaction of all parties involved. It should build on a long-term strategy and include effective change management and project monitoring. Documented feedback from the companies involved should be part of the application.

**Category 3: Scientific publications**

Scientific publications in journals, magazines and books will be considered for nomination.

**Criteria:****Novelty (weighting factor 0.3)**

The content of the publication should contain novel experiences on Chemical Leasing in the context of innovative implementation approaches, new application fields and trans-disciplinary strategies.

**Impact (weighting factor 0.3)**

The publication should be of relevance for the specific industrial sector but also be significant for the Chemical Leasing landscape in general.

**Quality (weighting factor 0.4)**

The development and selection of content will strongly factor into the evaluation. The publication should be of the highest quality in content, research, methodology, structure and communication.

**Category 4: Public relations (reports, media, brochure and websites)**

Newspaper articles, documentaries, interviews, brochures, web pages and pioneering PR activities will be considered for nomination.

**Criteria:****Impact (weighting factor 0.3)**

The activity should contribute to the dissemination of Chemical Leasing and make a significant contribution towards raising awareness for Chemical Leasing.

**Novelty (weighting factor 0.3)**

The activity should convey new experiences or findings on Chemical Leasing or be in itself a new dissemination activity.

**Quality (weighting factor 0.4)**

The activity and material should be of high quality in content, design, communication and dissemination.

**Target group/participation**

The award recognizes activities on a global scale. Organizations, companies and individuals worldwide are encouraged to apply.

**Guidelines for participation/Application requirements**

For each category an entry form is provided which is available for download at [www.chemicalleasing.com](http://www.chemicalleasing.com)

## **Members of the Award Jury**

### **Representatives from BMLFUW**

#### **Thomas Jakl**

Jakl is biologist and earth scientist and Director of the Chemicals Policy Directorate at the Ministry for Agriculture, Forestry, Environment and Water Management of Austria since September 1997. He is responsible for environmental protection related to substances and chemical products and in charge of chemical legislation including REACH, being the Head of the Austrian delegation to Council working groups. He was the Head of the EU-Presidency delegation for international negotiations in the field of chemicals policy during the Austrian EU Presidency (01- 06 2006) and is the former President of the EU Council working group on REACH and of the EU Council working group on international environmental policy (chemicals). Mr. Jakl is a member of the Management Board at the European Chemicals Agency (ECHA) and the Deputy Head of Supervisory Board at the Federal Environment Agency.

#### **Christine Jasch**

Christine Jasch is Director of the Vienna Institute for Environmental Management and Economics, IÖW. She studied Political Economy, Business Administration and Agriculture and works as independent tax advisor and certified public accountant as well as accredited lead verifier under EMAS and ISO 14001. Current working areas include environmental performance evaluation and sustainability indicators, integrated management systems, environmental and sustainability accounting, ethical investment, sustainability reporting, sustainable (home) services and product service systems.

#### **Hans Schnitzer**

Hans Schnitzer has a PhD in Chemical Engineering and is Professor for Chemical Engineering Fundamentals and Energy Technology at the Graz University of Technology, Institute for Process and Particle Engineering and Head of JOANNEUM RESEARCH Institute of Sustainable Techniques and Systems. His main activities and responsibilities are in the field of Cleaner Production, sustainable development, energy efficiency and renewable resources for materials and energy.

### **Representatives from UNIDO**

#### **Heinz Leuenberger**

Heinz Leuenberger is Director of the Environmental Management Branch (EMB) of UNIDO since March 2006. Prior to joining UNIDO, from November 1988 to February 2006, Mr. Leuenberger served as Chief Technical Adviser (CTA) for the Vietnam Cleaner Production Centre in Hanoi. From 2005 to 2006, he was also working as CTA in the Cleaner Production Programme of Lao PDR and the Kingdom of Cambodia. In 1991, Mr. Leuenberger founded the Environmental Technology Institute (IFU) at the University of Applied Sciences in Muttensz, Switzerland. From 1991 to 1999, he was the Head of the Institute, and as a professor there, he lectured the postgraduate course on environmental technology. From 1987 to 1991 he was in charge of the department of Water and Waste Management of the Environmental Agency in the Canton of Solothurn. Mr. Leuenberger holds a Master Degree in Chemistry and



a Ph.D in Chemistry both from the Federal Institute of Technology (ETH) in Zurich, Switzerland.

**Petra Schwager**

Petra Schwager works for the Energy and Cleaner Production Branch and is the coordinator of UNIDO's Global Chemical Leasing Programme, which she initiated in 2004. She studied Economics at the Vienna University of Business Administration and Social Sciences and Environmental Management at the University of London. Since 1995 she has been involved in building-up UNIDO's Cleaner Production Programme that currently includes more than 40 countries. Ms Schwager has managed National Cleaner Production Centres and Programmes in more than 15 countries and developed a number of innovative CP and CP related projects, tools and strategies.

**Reinhard Joas**

Reinhard Joas is the founder and Managing Director of BiPRO with more than 18 years of experience in strategic consulting of governments and international bodies on different policy areas. He is educated as an economist and a chemical engineer. Mr. Joas is a longtime experienced consultant for the European Commission, the European Parliament and national authorities as well as for industrial companies. His main fields of activity are technical guidance for environmental legislation, evaluation of socio-economic consequences of environmental measures, risk assessments, risk reduction measures as well as the development of new business models and strategies. Since several years Mr. Joas also acts as international expert for Chemical Leasing on behalf of UNIDO