



## **GLOBAL CHEMICAL LEASING AWARD 2010**

### **INTRODUCTION AND BACKGROUND**

Globalisation, 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 sound management of chemicals and 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 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 relates to 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 national, regional and international environmental and economic policy regulations and programmes.



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

During the last years, Chemical Leasing business models have been developed and successfully applied in Austria. The results obtained showed that the implementation of Chemical Leasing has high potentials 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 greening of industries, to support sound management of chemicals and inspire companies around the world to engage in Chemical Leasing practices. The award winners will be beacons to the international community representing chemical management of excellence.

#### AWARDING PROCEDURE

The award is jointly be organized by the United Nations Industrial Development Organization (UNIDO) and the Austrian Federal Ministry for Agriculture, Forestry, Environment and Water Management (BMLFUW).

The award has been announced at an ICCM 2 (2<sup>nd</sup> International Conference on Chemicals Management) 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 with three experts nominates by UNIDO and BMLFUW, respectively. All jury members offer profound understanding of Chemical Leasing strategies and have first-hand experience with implementation and promotion practices.

Mr. Reinhard Joas (BiPRO GmbH, Munich, Germany)  
Ms. Petra Schwager/Mr. Heinz Leuenberger (UNIDO)  
Prof. Schnitzer (Joanneum Graz, Austria)  
Prof. Jasch (Econ. University, Vienna, Austria)  
Mr. Thomas Jakl (Env. Ministry, Austria)



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## AWARD CATEGORIES

The award comprises four categories namely (1) Case studies (companies), (2) Consulting services, (3) Scientific publications and (4) Public relation (reports, media, brochures, homepage). 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 with 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 category 1 and 2:

Environmental benefits (including benefits for human health such as occupational health) as well as economic and other business benefits should be demonstrated by all involved actors according to the UNIDO definition of Chemical Leasing.

Partners should be able to provide clear evidence of improvement in their environmental performance, such as reduction of emissions, decreased consumption of chemicals/raw materials/energy and risk reduction.

There should be 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 or compliance with legal provisions.

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 will be given consideration which the partners have agreed upon and for which Chemical Leasing agreements have formally been finalized. 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 involved companies and furthermore 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 respective processes 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 will be given consideration which the partners have agreed upon and for which Chemical Leasing agreements have formally been finalized. 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 respective processes 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.

#### **Impact (weighting factor 0,1)**

The project should significantly impact economic and ecological aspects of the involved companies and furthermore 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 be replicated at other companies and organizations as well. The scope of the project should reach 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 highest quality and to the satisfaction of all involved parties. 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.

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<sup>1</sup> This unit reflects the functions or services the chemical(s) involved are performing thus replacing product base units like „barrels“. Examples for such a unit are „Square meters of surface cleaned/coated“; Hours of operation, treated pieces ....;



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**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 highest quality in content, research, methodology, structure and communication.

**Category 4: Public relation (reports, media, brochures, homepage)**

Newspaper articles, documentaries, interviews, brochures, web pages as well as 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 raise awareness for Chemical Leasing on a grand scale.

**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)