

Minutes of the
"International Working Group on Chemical Leasing"

28th of June 2007, Vienna

Participants :

Abo Sena Ali, NCPC, Egypt
Chistikova Alena, NWPC, St. Petersburg
Joas Reinhard, BiPRO, Germany
Kaltenegger Ingrid, JOANNEUM RESEARCH, Austria
Koch Rainer, ICCA, Germany
Müller Peter, Ministry of Environment, Switzerland
Perez Jorge, NCPC, Mexico
Reekie Mark, Akzo Nobel Powder Coating, UK
Schaff Peter, TÜV SÜD, Germany
Schott Rudolf, AFC Consult, Austria
Schrott Helga, UNIDO, Austria
Schwager Petra, UNIDO, Austria
Schwarze Susann, Ministry of Environment, Germany
Sena Peiris, NCPC, Sri Lanka
Volodin Igor, UNIDO, Austria
Unterberger Stefan, BEYER Umweltberatung/SOB Consulting, Austria
Walter-Rohde Susanne, Federal Environment Agency, Germany
Wittlinger Rolf, BASF, Germany
Wittmann Michael, Ministry of Environment, Austria

Additional contacts:

Reiss Eva-Maria, BMLFUW, Wien
Stuetzle Karl, Safechem, Düsseldorf
Best David, Schweiz
Beyer Walter, BEYER Umwelt + Kommunikation, Wien

1. *Welcome Notes by Mr. Volodin and Mrs. Schwager, UNIDO*
2. *Presentation of National Cleaner Production Centres in Egypt, Mexico and Russia on current status of chemical leasing case studies*

The NCPCs of UNIDO's Chemical Leasing project (Egypt, Mexico and Russia – St. Petersburg) presented their activities in the field of Cleaner Production and Chemical Leasing. The economic and environmental benefits were pointed out and promising future pilot projects were presented:

In Egypt, the NCPC now comes up with a procedure for the monitoring of ChL. Promising sectors for the future are seen in the textile and grinding (cement) industry. In Russia the focus is on water treatment where also the future potential for ChL projects in Russia was identified. In Mexico's industry a good acceptance of the ChL model can be observed, nevertheless it will be important that economic benefits are more precisely documented by the companies in the future.

In the discussion the need of a win-win situation for both sides was highlighted. It was clearly stated that the issue of unit of payment is highly important and has to be discussed with various departments in the companies. The (possible) change of technology is also a key point.

3. *Chemical Leasing: Experiences and expectations – Mr Reekie, AKZO Nobel Powder Coating*

After a short presentation of the different branches in Akzo Nobel, Mr. Reekie was focusing on the experiences with ABB Arab in redesigning the formulation of the powder coating, the customizing of the powder's particle size and the recycling of the powder losses.

For Mr. Reekie the coordinating and supervising role of the NCPC as well as a simple contract are highly important. Akzo Nobel is currently trying to gain more experience on potential pitfalls to be able to avoid them in future and signed an agreement with UNIDO for further development of the ChL model.

4. *Chemical Leasing: Experiences and expectations – Mr. Wittlinger, BASF*

Mr. Wittlinger from BASF was talking about the challenges they have to face in the textile industry: it is not clear at the moment how textile producers and chemical suppliers can share profits equally and fair and the most important topic will be the definition of the unit of payment for the chemical sector. Nevertheless BASF is sure that ChL defines a proper business model for the future and will help to achieve sustainable cleaning.

5. *Quality assurance and certification of ChL Business model, first experiences obtained in Egypt – Mr. Schaff, TÜV SÜD*

Mr. Schaff from TÜV SÜD was talking about their experiences in Egypt: TÜV SÜD put up a standardized system with checklists, etc. where suppliers and users of chemicals are checked if they apply to all kinds of different requirements and then are able to work together. A ChL certification ensures an optimum satisfaction of the need of all partners and guarantees a smooth clearing according to an agreed procedure. It has to be clear that a certification is only reasonable if a contract exists or at least a written commitment is on the table.

In the **discussion** the following topics were raised:

If better performance on supply-side increases productivity on user-side, how will that be taken into account? In general indirect benefits are hard to define and hard to be shared in one way or the other.

Chemical Leasing is seen as a tool to outreach Product Stewardship throughout the value chain, facing one major problem: it has to be clear what your customer is doing with your chemical(s).

Long lasting/strong relationships might be seen as an obstacle for users.

Legal aspects are of high priority!

6. EU funded project to support further Chemical Leasing activities – Mr. Joas, BiPRO

Within the 7th Framework Program of the EU one call was identified who could perhaps address the possible objectives of ChL which are to enable dissemination, extend ChL and to involve more partners. For a consortium NCPCs, UNIDO, SMEs (users), solutions providers and technology providers would be needed.

Due to time pressure (deadline of the call is early September) it was agreed on waiting for the next call which will be launched in spring 2008 and will be designed for the benefits of associations. In the meantime, possible partners could be invited through the homepage and the next meeting of the IWG could be used to prepare the proposal.

7. Chemical Leasing and Regulatory Approaches in Chemical Policy

Mr. Wittmann, representative of the Chemicals Policy Department at the Austrian Ministry of Environment, pointed out that although ChL is not feasible for all processes and all chemicals it is an ideal instrument to encourage new and innovative solutions. Nevertheless, ChL cannot be prescribed and enforced but it can be supported and promoted. ChL also cannot replace regulatory measures. Mr. Wittmann also briefly summarized the parallels between REACH and ChL to clarify that REACH and ChL have synergies and that ChL has certain elements which fit with REACH but that they are independent.

8. UNIDO and SAICM – Mrs. Schrott, UNIDO

Mrs. Schrott gave a short overview on the development of SAICM from the beginning in 2006 to the main aim, to have a sound chemical's management worldwide in 2020 (Johannesburg goal). The NCPCs can play an important role in assisting industry and the private sector. SAICM also allocates some funds for first initiatives like the Quick Start Program.

Mrs. Schrott also reported that SAICM has been recommended for endorsement by the UNIDO General Conference on June 27th.

9. UNIDO Chemical Leasing Toolkit – Mrs. Kaltenegger, JOANNEUM RESEARCH

Ms. Kaltenegger presented the draft version of the Chemical Leasing Toolkit which will be probably published this autumn. The toolkit covers the main steps to be undertaken to ensure smooth and efficient application of Chemical Leasing to industries from different sectors and countries and provides guidelines on the implementation and monitoring of Chemical Leasing business models at plant level.

10. Summary and Discussion

Mr. Joas summarized the main points which were addressed in this meeting of the IWG:

- Experiences in partner countries are available by now; the group is ready for new countries. Therefore it is necessary to optimize the exchange, also to use the homepage to create new ideas.
- There are some pilot projects which need multiplication. This dissemination and spreading of the idea is not done sufficiently so far, maybe the broad potential of ChL is not completely clear at this moment.

The next step would be to spread the experiences and tools – like the video on ChL, the new book and the toolkit - and in a second step to approach different sectors in industry and address other organizations (e.g. ICCA).

In the subsequent **discussion** the following additional issues were addressed:

From UNIDO's side sound chemical's management and sound process optimization is very important. Therefore the toolkit and the know-how on monitoring are valuable tools to put the concept further. It also has to be clear that there is a certain "forward integration": the reason for doing ChL clearly has to be environment and not to support industry to have complete control on downstream users.

In some developing countries there are much more traders than producers which therefore play a much more important role in dissemination and communication about ChL than it might seem.

11. Final round on the IWG

New members especially liked the enthusiasm and the motivation within the group; they will bring home the message of this interesting approach and try to contribute to the dissemination.

The participants stated that there was a lot of new information and new experiences which is a good sign for progress. This information is helpful in particular for the implementation and the fine tuning of the concept. Industry contributes a lot, especially in the way of dissemination and extension of the concept. The IWG is an ideal tool to summarize all results. It is a basis for further development like the toolkit. It is helpful to get a broader understanding about practical issues. Things are made clearer and the point of other stakeholders becomes visible. Bringing together the global picture and see the holistic approach is one of the main aims of this group.

The concept has to be promoted more aggressively in the public: it can't be possible *not* to be part of ChL. It also seems to be necessary to get on board more NCPCs.

To have more suppliers in the IWG could be helpful to spread the idea and to make people aware of ChL.

The next meeting of the International Working Group is planned in December together with the UNIDO General Conference or at the beginning of 2008, together with the presentation of the new book on Chemical Leasing activities.