



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



Programme for
Country Partnership

UNIDO'S INDUSTRIAL DEVELOPMENT PARTNERSHIPS WITH THE BUSINESS SECTOR



INCLUSIVE AND SUSTAINABLE INDUSTRIAL DEVELOPMENT



CASE STUDY

THE CHEMICAL LEASING BUSINESS MODEL

At a glance

Geographic scope: Global

Focus area: Chemical management

Business sector partners: Chemical suppliers and chemical users, including multinational enterprises, national companies and small and medium-sized enterprises

Other partners: UNIDO/UNEP global network of National Cleaner Production Centres in +14 countries

Duration: 2004 - ongoing

Context

Chemicals are an integral part of modern life and are used in a wide variety of products. While economically beneficial, they can also adversely affect human health and the environment during their manufacture, use and disposal. Industry is one of the main contributors to hazardous waste and as more areas

of the world industrialize, the amount of chemicals used has risen heavily as well.

Traditionally, chemical suppliers focus on selling their products in the largest possible quantities (“the more you sell, the more you earn”). However, this often leads to the inefficient use and unnecessary over-consumption of chemicals, and the generation of hazardous waste.

Strategy

Since 2004, UNIDO has been promoting a performance-based business model in developing and transition economies, with the direct financial support of the Governments of Austria, Germany and Switzerland. This new model – Chemical Leasing – is based on the idea that economic success no longer depends on the volume of chemicals sold, but on the service linked with the chemicals. Therefore, the supplier’s economic

success relies on the function and benefits of the chemical and not on the amount of chemicals sold. Services (“units of payment”) can be the volume of water treated, the number of parts painted or the length of pipes cleaned, for example.

Impact

Chemical Leasing supports companies in reducing the inefficient and excessive use of chemicals, while developing business partnerships based on mutual trust, and enhanced economic and environmental performance. An online Chemical Leasing Toolkit developed by UNIDO hosts practical guides and materials, examples of best practices, case studies and lessons learned from the Global Chemical Leasing Programme.

Chemical Leasing is being implemented in many industries and processes, from car manufacturing to cleaning operations, to beverage and food production or wastewater treatment. Since the Programme’s inception, companies have successfully launched Chemical Leasing models in close cooperation with National Cleaner Production Centres in Latin and South America, Africa, East Europe and Asia.

Today, more than 100 companies worldwide have included Chemical Leasing in their business strategies, with new projects promoting innovative business models in the pipeline. UNIDO and partners also hold regular Global Chemical Leasing Award to acknowledge best practices in the field.

