CHEMICAL LEASING: CONTRIBUTION TO THE CIRCULAR ECONOMY AND ECO-INNOVATION

DR. REINHARD JOAS
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Chemical Leasing Bundles Motivation

Traditional Business Models
- Contradictory motivations
- Delivery of goods
- Volume based pricing
- "The more the better"

Chemical Leasing Model
- Bundled motivations
- Delivery of goods, service and know how
- Benefit oriented pricing
- "Less is more"

"Triple Win"
- Environment & Health
- User
- Supplier

Service-oriented business model
Benefit-based payment
CONCEPT OF CHEMICAL LEASING

- User of chemicals: does not pay to own a chemical, but spends money for the benefits provided by a chemical

- Producer of chemicals: sells the function of a chemical, including know-how on efficiency and risks, adding management services like production management and logistics

- Amount of chemicals produced: will decline as chemicals volume turns from a factor for earnings ("the more you sell the more you earn") to a cost driver ("less is more")

- Added value: will be shared in a fair way among the involved partners

Share the incentive to reduce chemical quantities and optimise the process.

User of chemicals
Producer of chemicals
Amount of chemicals produced
Added value
CHEMICAL LEASING EXAMPLE: METAL CLEANING

Metal cleaning with solvents

- Supplier of solvent provides know-how on efficient use of chemical
- Improved take back system, better handling and enhanced recycling possibilities

- Reduced quantities
- Reduced waste
- Better health and safety
- Reduced environmental burden
CIRCULAR ECONOMY IN METAL CLEANING WITH CHEMICAL LEASING
CONCLUSIONS

- Successful implementation of Chemical Leasing via UNIDO across the globe since 2004
- Know-how transfer and collaboration along the supply chain → innovative ideas, better recycling, reduced quantities
- Shared responsibility and new mind set based on the performance instead of chemical volumes

→ Measurable contribution to Circular Economy
→ Wider adoption and mainstreaming in more countries and sectors required

Chemical Leasing is recognized by the EU Action Plan for the Circular Economy
Chemical Leasing presents the business case for Eco-Innovation