

## **TANZANIA INVESTMENT CENTRE**

### **DAR ES SALAAM**

#### **PROGRESS REPORT**

(Information required for the project's progress report after every six months or for amendment of Certificate of Incentives)

##### **1. Planned activities for the period.**

The primary aim of this project was to establish a factory dedicated to manufacturing an alternative source of energy using elephant grass. The project's objectives were to achieve this by installing specialized and customized plants designed to process elephant grass into briquettes, which serve as a substitute for traditional charcoal.

##### **2. Achievements made on the project implementation to date**

(i.e. from the date the project was approved to the date of writing the report)

#### **Project Overview and Objectives**

As explained above the primary aim of this project was to establish a factory dedicated to manufacturing an alternative source of energy using elephant grass. The project's objectives were to achieve this by installing specialized and customized plants designed to process elephant grass into briquettes, which serve as a substitute for traditional charcoal.

#### **Project Achievements**

The project has successfully met its targets and vision. We have been able to produce briquettes that meet the required standards. Moreover, we have managed to sell and distribute these briquettes to a wide range of public and private institutions, including notable schools such as St. Mary's.

#### **Market Demand and Expansion**

Due to the high demand for this environmentally friendly type of charcoal, which emits little to no carbon monoxide, we have expanded our production capacity. In

June 2024, we installed two new machines to better meet the growing demand and ensure a stable supply.

### Internal Utilization

In addition to supplying briquettes to external users, our company utilizes these briquettes within one of our subdivisions, the SPICE DIVISION. Specifically, we use the charcoal to dry our spices, with a focus on cardamom, thereby enhancing our internal processes and product quality.

### Conclusion

The project has not only achieved its initial objectives but has also demonstrated significant growth and adaptability in response to market demands. We are committed to continuing this success by maintaining high standards of production and exploring further opportunities for expansion and internal utilization.

3. Provide updated information on the following aspects:

S/No.	Information	Description	
1	Shareholder's Information	Current Shareholders names, nationality and percentage of ownership	1.VIRIDIUM HOLDINGS-MAURITIUS-99% 2.YIORGGO J.H.FERREIRA-TANZANIA-1%
2	Company communication Information	Email address Mobile Number Land Line Telephone Number Physical Address (Plot No. Block No. Street, District and Region)	<a href="mailto:isamuel@viridium.co.tz">Email Address:isamuel@viridium.co.tz</a> <a href="tel:+255785653506">Phone number:+255785653506</a> <a href="#">Physical Address:Tumbaku House,Kihonda,Morogoro.</a>
3	Contact Person	Name Position Communication details (Email, Mobile and telephone)	Ivan Samuel. Position: Head of Finance Email <a href="mailto:isamuel@viridium.co.tz">Address:isamuel@viridium.co.tz</a> <a href="tel:+255785653506">Phone number:+255785653506</a>
4	Incorporation	Certificate of Incorporation Number	144595068

5	TIN Information	TIN Certificate No.	144595068
6	Project Objective	Project Core Activity	Manufacturing of biomass charcoal
7	Capacity	Project capacity per year	
8	Direct Employment	Foreign Men Foreign Women Local Men Local Women	Foreign men- 1 Local Men- 40 Local Women- 40
9	Indirect employment	Type/areas of Indirect employment	Local Men- 70 Local Women- 60 (Indirect employments varies depends with season)

#### 4. Project Financing Expenditure (USD)

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings	250,000		250,000
Plant and machinery	787,751		787,751
Vehicles/Aircrafts	150,000		150,000
Furniture	15,000		15,000
Office equipment	23,000		23,000
Insurance Cover	12,000		12,000
Pre-operational expenses			
Working sub-total capital			
<b>Grand Total</b>	<b>1,237,751</b>		<b>1,237,751</b>

#### 5. Project Financing

Explain how the project is being financed e.g equity, loans, sources of loans, conditions etc. see table below:-

	Amount (USD)	Source Country
Local equity		
Local loans		
Foreign equity	100,000	Dubai/Mauritius
Foreign Loans	7,307,573	Dubai/Mauritius

<b>Total Investment</b>	7,407,573	
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## 6. Problems and Solutions

### 1. Raw Material Supply Chain Disruptions

- **Problem:** Disruptions in the supply chain of elephant grass could affect the production of briquettes.
- **Solution:** Establish partnerships with multiple suppliers and invest in cultivating dedicated plantations of elephant grass to ensure a consistent and reliable supply.

### 2. Equipment Maintenance and Downtime

- **Problem:** Regular maintenance or unexpected breakdowns of the customized plants could lead to production delays.
- **Solution:** Implement a rigorous maintenance schedule and keep a stock of essential spare parts. Additionally, train a team of in-house technicians to handle minor repairs and maintenance tasks swiftly.

### 3. Market Competition

- **Problem:** Emerging competitors offering similar eco-friendly energy solutions could affect market share.
- **Solution:** Focus on continuous innovation and quality improvement. Invest in marketing campaigns that highlight the unique benefits of your briquettes, such as lower carbon emissions and high efficiency. Building strong relationships with existing customers and offering exceptional customer service will also help maintain loyalty.

### 4. Regulatory and Environmental Compliance

- **Problem:** Changes in environmental regulations could impact production processes or require additional investments to comply.
- **Solution:** Stay informed about current and upcoming regulations. Engage with regulatory bodies to ensure compliance and seek certifications that affirm the environmental benefits of your product. Investing in sustainable practices and technologies will also help stay ahead of regulatory changes.

## *5. Distribution Network Challenges*

- **Problem:** Expanding the distribution network to meet growing demand can be challenging, especially in remote areas.
- **Solution:** Develop partnerships with local distributors and logistics companies. Invest in a robust distribution infrastructure and consider setting up regional warehouses to facilitate quicker and more efficient delivery.

## *6. Customer Adoption and Education*

- **Problem:** Potential customers might be hesitant to switch from traditional charcoal to briquettes due to lack of awareness or misconceptions.
- **Solution:** Launch educational campaigns highlighting the benefits of briquettes, such as cost savings and environmental advantages. Provide demonstrations and samples to potential customers and gather testimonials from existing satisfied customers to build trust and credibility.

## *7. Financial Management and Funding*

- **Problem:** Securing funding for expansion and maintaining a healthy cash flow can be challenging.
- **Solution:** Develop a comprehensive financial plan and explore various funding options such as grants, loans, and investment from eco-friendly venture capitalists. Maintaining transparent financial records and demonstrating steady growth and profitability will make the project more attractive to potential investors.

By proactively addressing these potential challenges with strategic solutions, the project can sustain its growth, maintain high production standards, and continue to meet the rising demand for eco-friendly briquettes.

## **7. Future Plans**

Explain future plans for the next coming six months and planned financial commitments

### **1. Expansion of Production Capacity**

- Invest in additional production facilities and equipment to increase output and meet rising demand.

- Explore opportunities for automation to enhance efficiency and reduce production costs.
- 2. Research and Development**
    - Continue to innovate and improve the quality and efficiency of briquettes.
    - Develop new products and applications for elephant grass and other sustainable materials.
  - 3. Market Expansion**
    - Expand distribution networks to reach new geographic markets, including international markets.
    - Develop strategic partnerships with distributors, retailers, and institutional clients.
  - 4. Sustainability Initiatives**
    - Invest in sustainable practices, such as creating dedicated elephant grass plantations to ensure a stable supply.
    - Obtain and maintain environmental certifications to reinforce the eco-friendly nature of the products.
  - 5. Customer Engagement and Education**
    - Launch targeted marketing campaigns to raise awareness about the benefits of briquettes.
    - Offer training and support to customers on the efficient use of briquettes.
  - 6. Community and Stakeholder Engagement**
    - Engage with local communities to create job opportunities and support local economies.
    - Foster strong relationships with stakeholders, including suppliers, customers, and regulatory bodies.
  - 7. Financial Growth and Stability**
    - Secure additional funding through grants, loans, and investments to support expansion and innovation.
    - Maintain a robust financial management system to ensure long-term stability and profitability.

The company has committed to focus on these areas so the project can achieve sustainable growth, meet increasing demand, and continue to contribute positively to the environment and society.

## 8. Recommendations and any other comments

