

**EVERYCYCLE RESOURCES (T) LIMITED**

**BUSINESS PLAN**

**FOR**

**MANUFACTURING**

**OF**

**RECYCLABLE MATERIALS**

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# Business Plan for Evercycle Resource (Tanzania) Limited

## 1 Executive Summary

Evercycle Resource (Tanzania) Limited presents a strategic investment opportunity in Tanzania's growing waste management and recycling sector. With its five-acre facility in Bagamoyo Urban Area, Coastal Region, the company will establish a comprehensive recycling operation processing multiple waste streams to support Tanzania's circular economy goals. An initial investment of \$600,000 will fund infrastructure development, machinery acquisition, and operational launch. The business model aligns with Tanzania's Environmental Management Act (2004) and recent E-Waste Management Regulations (2021), addressing the urgent need for sustainable waste solutions while creating substantial economic and social value.

Tanzania generates over 16.9 tons of solid waste annually, with metropolitan areas facing significant waste management challenges due to population growth and urbanization. Evercycle will capitalize on this opportunity by processing recyclable materials including plastics, paper, metals, and regulated e-waste components. The operation will create 28-35 direct jobs within the first year while supporting informal waste collectors through structured collection networks. Financial projections indicate breakeven by Year 3 and \$1.2 million cumulative revenue over five years, delivering both environmental impact and sustainable returns for investors while supporting Tanzania's sustainable development agenda.

## 2 Company Description & Investment Objectives

### 2.1 Corporate Vision and Mission

Evercycle Resource (Tanzania) Limited embodies a forward-thinking approach to waste management in Tanzania. Our vision is to transform waste into valuable resources while driving environmental sustainability and circular economy principles in the Coastal Region and beyond. Our mission focuses on establishing an integrated recycling operation that not only processes waste efficiently but also creates economic opportunities for local communities through inclusive collection models and job creation. We aim to become Tanzania's leading waste recycling enterprise within five years, recognized for operational excellence, environmental compliance, and community development.

### 2.2 Investment Objectives

- **Environmental Objectives:** Divert approximately 900 tons of waste annually from landfills and unauthorized dumping sites in the Bagamoyo region by Year 2, increasing to 1,500+ tons by Year 5. Support Tanzania's climate goals by reducing environmental pollution and promoting sustainable consumption patterns through recycled material production.
- **Economic Objectives:** Achieve operational breakeven within 24 months of launch and generate cumulative revenue of \$1.2 million over the first five years of operation. Build a sustainable business model with projected net profit margins of 12-18% from Year 3 onward, ensuring long-term viability and investor returns.
- **Social Objectives:** Create 28-35 formal employment opportunities within the first year of operation, with priority given to local community members. Establish training programs to enhance technical skills in waste management and processing. Integrate and formalize 50+ informal waste collectors into our supply chain through fair compensation structures.

### 2.3 Business Sector & Product Offerings

Evercycle operates within Tanzania's waste management and recycling sector, specifically focusing on processing recyclable materials from municipal solid waste streams. Our operations align with Tanzania's Environmental Management Act (2004) and the 2020 Electronic Communications Equipment Standards and E-Waste Management regulations, ensuring full regulatory compliance. The company will process multiple waste streams through our Bagamoyo facility:

- **Plastic Recycling:** Processing PET, HDPE, and LDPE plastics into sorted flakes and pellets for sale to manufacturing industries. This addresses the significant plastic waste challenge in Tanzania, where community-based organizations have demonstrated success in removing 2.5 tons of plastic waste daily from waste streams in other regions.
- **Paper Recycling:** Processing recycled paper collected from traditional markets, ex-packaging from home industries, and household waste, following successful models implemented by recycling hubs in similar markets.
- **E-Waste Management:** Establishing authorized collection and pre-treatment of regulated waste electrical and electronic equipment (WEEE) in compliance with Tanzania's 2021 E-Waste Regulations. This includes disassembly, component recovery, and proper handling of hazardous

materials.

- Metal Recycling: Processing ferrous and non-ferrous metals from municipal waste streams and commercial sources, with sorted materials supplied to metal manufacturing industries.

Table: Evercycle Product Lines and Target Markets

Product Line	Primary Sources	Target Customers	Year 1 Target Volume
Plastic Flakes/Pellets	Municipal collection, Informal sector manufacturers, Export markets	Plastic manufacturers	120 tons
Sorted Paper Fiber	Traditional markets, Offices	Paper mills, Packaging producers	80 tons
E-Waste Components	Collection programs, Corporate e-waste refiners, Component exporters	Specialized refiners	40 tons
Sorted Metals Scrap	Scrap dealers, Municipal collection	Metal smelters, Manufacturing industries	100 tons

### 3 Investment Costs & Sources of Finance

#### 3.1 Total Investment Requirements

Evercycle requires \$600,000 in initial investment to establish operational capacity for its five-acre facility in Bagamogo. This investment will cover land development, infrastructure construction, machinery acquisition, and initial working capital requirements to launch operations and achieve positive cash flow within 24 months. The investment allocation follows prudent financial management principles while ensuring sufficient funding for all critical operational components.

#### 3.2 Sources of Financing

To fund the \$600,000 requirement, Evercycle will employ a balanced financing approach that combines equity investment with strategic debt financing and potential government incentives:

- Equity Investment (50% - \$300,000): Founders and private investors will provide equity capital, maintaining strong ownership control while minimizing debt service obligations during the initial operational phase.
- Commercial Debt Financing (30% - \$180,000): Secured loans from Tanzanian financial institutions with specialization in green projects or industrial development, with repayment terms structured to align with

projected cash flow patterns.

- Government Incentives & Grants (20% - \$120,000): Pursuing available grants and incentives through Tanzanian government programs supporting green initiatives, waste management projects, and industrial development in the Coastal Region. The Environmental Management Act provides a framework for supporting sustainable waste management initiatives .

This balanced approach mitigates financial risk while ensuring adequate capitalization throughout the startup phase. The 20% allocation to government incentives aligns with similar recycling projects that successfully secured partial public funding for green initiatives .

#### 4 Job Creation

##### 4.1 Employment Structure

Evercycle will generate significant employment opportunities across multiple skill levels, contributing to Tanzania's economic development while supporting the transition to formalized waste management systems. Based on recycling industry benchmarks and the operational requirements of our facility, we project creating 28-35 direct jobs within the first year of operation, expanding to 45-50 positions by Year 3 as processing capacity increases.

Table: Evercycle Job Creation Projections

<b>Department/Function</b>	<b>Year 1 Positions</b>	<b>Year 3 Positions</b>	<b>Skill Level Required</b>
Collection & Logistics	10-12	15-18	Low to medium skill
Sorting Operations	8-10	12-14	Low skill
Processing Operations	5-6	8-10	Medium to high skill
Administration & Management	3-4	5-6	Medium to high skill
Quality & Compliance	2-3	3-4	High skill
Total	28-35	45-50	-

##### 4.2 Job Quality and Community Impact

Following circular economy principles that emphasize decent work creation, Evercycle will prioritize fair wages, safe working conditions, and skills development . While the recycling sector typically creates a mix of skilled and unskilled positions, we are committed to exceeding industry standards for compensation and working conditions. All positions will receive comprehensive safety training, especially for e-waste handling which requires specialized protocols under Tanzanian regulations .

The operation will also create significant indirect employment through our supply chain, potentially supporting 50+ informal waste collectors through structured collection partnerships. This model has proven successful in similar contexts, such as the Wecyclers operation in Nigeria which engaged 6,500 households in their collection network . By formalizing informal sector participation, we enhance income stability for vulnerable workers while ensuring consistent input supply for our operations.

## 5 Investment Funds Expenditure Breakdown

### 5.1 Capital Expenditure Allocation (\$415,000 - 69.2%)

The majority of our initial investment will be allocated to capital assets that form the foundation of our recycling operations:

- Land Development & Infrastructure (\$175,000): Site preparation, fencing, security systems, utility connections, and drainage systems for our five-acre facility. This includes construction of basic processing sheds, material storage areas, and administrative offices.
- Machinery & Equipment (\$210,000): Acquisition of essential processing equipment including sorting conveyors, plastic shredders, balers, electronic waste dismantling stations, and material handling equipment. This also includes necessary safety equipment for handling e-waste and other hazardous materials.
- Vehicles & Transportation (\$30,000): Initial investment in collection vehicles, starting with two modified trucks and three cargo tricycles for narrow road access, similar to the "wecycles" model successfully deployed in Nigeria .

### 5.2 Operational Expenditure Allocation (\$185,000 - 30.8%)

Initial working capital will cover pre-operational and early-phase expenses:

- Staff Recruitment & Training (\$65,000): Comprehensive training programs for all employees, with specialized certification for e-waste handling as required by Tanzanian regulations .
- Licensing & Compliance (\$35,000): Permits for waste collection, transportation, and processing facility operation, including specific authorizations for e-waste management as mandated by the Environmental

Management (Control and Management of Electrical and Electronic Equipment Waste) Regulations, 2021 .

- Initial Marketing & Community Engagement (\$25,000): Awareness campaigns, partnership development with waste generators, and formalization of collection agreements.
- Working Capital Buffer (\$60,000): Reserve funds to cover initial operational expenses before revenue stabilization, sufficient for 3-4 months of operations.

## 6 Sources of Supply of Inputs

### 6.1 Primary Input Sources

Evercycle will establish a multi-channel supply network to ensure consistent input of recyclable materials:

- Municipal Collection Partnerships: Formal agreements with local government authorities in Bagamoyo and surrounding communities to process collected recyclables, leveraging the significant role local governments play in waste collection throughout Tanzania .
- Informal Sector Integration: Structured collection programs with informal waste pickers and small-scale scrap dealers, providing fair compensation and equipment support to enhance their collection efficiency. This model has proven successful in similar contexts, such as the Wecyclers program that incentivized collection through a points-based reward system .
- Commercial & Industrial Agreements: Direct contracts with businesses, industrial facilities, and institutions for their recyclable waste, focusing on consistent generators of high-quality recyclables like packaging waste, manufacturing scrap, and end-of-life electronic equipment.
- Community Collection Programs: Establishment of neighborhood collection points and periodic collection events, particularly for household e-waste which requires special handling under Tanzania's 2021 E-Waste Regulations .

### 6.2 Supply Quality Management

Implementing a robust sorting and quality control system at the point of collection and receipt will maximize material value recovery. We will provide training and equipment to key supply partners to enhance pre-sorting efficiency, similar to community-based organizations in Tanzania that

successfully sort waste into categories for more effective recycling . For e-waste streams, we will establish specific handling protocols compliant with regulatory requirements for hazardous material management .

## 7 Marketing Plan

### 7.1 Target Markets & Competitive Positioning

Evercycle will target multiple customer segments for processed recyclable materials:

- **Domestic Manufacturing Industries:** Tanzanian companies using recycled materials as production inputs, particularly plastic product manufacturers and metal fabrication facilities. Tanzania has existing recycling operations producing materials like plastic pellets for industrial use .
- **International Commodity Markets:** Export opportunities for higher-grade recyclables, leveraging Bagamoyo's coastal location for efficient logistics. Global demand for recycled materials continues to grow, with Indonesia's recycled paper exports demonstrating the potential of international market development .
- **Specialized Component Processors:** For certain e-waste components that require advanced refining or specialized recovery processes not available locally, following compliant export protocols under Tanzanian regulations .

Our competitive advantage stems from our comprehensive processing capabilities, regulatory compliance, strategic location, and strong community engagement model that ensures consistent input supply.

### 7.2 Marketing Strategy & Implementation

- **Pricing Strategy:** Competitive market-based pricing with premium structures for high-quality sorted materials. Initial penetration pricing to secure market position followed by value-based pricing as quality recognition grows.
- **Promotional Approach:** Direct sales efforts to target customers, participation in industry trade events, development of certification documentation for material quality, and active communication of our environmental and social impact.
- **Digital Presence:** Professional website with material specifications,

certification details, and contact information, supplemented by targeted social media engagement with sustainability-focused businesses.

- Partnership Development: Strategic alliances with environmental organizations, industry associations, and government agencies to enhance credibility and market reach.

## 8 Implementation Schedule

### 8.1 Phase 1: Pre-Operational Phase (Months 1-4)

- Month 1-2: Complete all regulatory approvals and facility licensing, including e-waste processing permits required under Tanzanian regulations .
- Month 2-3: Finalize land development and infrastructure construction on the five-acre site, ensuring all environmental compliance measures are incorporated.
- Month 3-4: Procure and install processing machinery and equipment, simultaneously launching recruitment and training programs for operational staff.

### 8.2 Phase 2: Operational Launch (Months 5-8)

- Month 5-6: Initiate collection operations with commercial and municipal partners, beginning with pilot areas and expanding systematically.
- Month 6-7: Commission processing equipment and begin initial sorting and processing operations, focusing on quality standardization.
- Month 7-8: Secure first customers for processed materials, implement quality assurance systems, and refine operational workflows based on initial experience.

### 8.3 Phase 3: Scaling & Optimization (Months 9-12+)

- Month 9-12: Expand collection network to target capacity, optimize processing efficiency, and diversify customer base for processed materials.
- Year 2: Introduce additional processing capabilities for higher-value recycling, potentially including advanced e-waste component extraction

based on market development.

- Year 3: Evaluate expansion opportunities to additional regions or material types based on operational performance and market conditions.

## 9 Financial Projections for 5 Years

### 9.1 Revenue and Profitability Projections

Based on similar recycling operations in emerging markets and Tanzania-specific factors, Evercycle projects the following financial performance over the first five years:

Table: Evercycle 5-Year Financial Projections

Financial Metric	Year 1	Year 2	Year 3	Year 4	Year 5
Total Revenue (\$)	150,000	320,000	510,000	720,000	950,000
Cost of Goods Sold (\$)	105,000	208,000	316,200	432,000	560,500
Gross Profit (\$)	45,000	112,000	193,800	288,000	389,500
Operating Expenses (\$)	120,000	135,000	155,000	175,000	195,000
Net Profit/Loss (\$)	(75,000)	(23,000)	38,800	113,000	194,500
Cumulative Cash Flow (\$)	(135,000)	(158,000)	(119,200)	(6,200)	188,300

### 9.2 Key Financial Assumptions

- Revenue Growth: Conservative year-over-year growth based on phased capacity utilization and market development.
- Gross Margin Improvement: Increasing from 30% in Year 1 to 41% by Year 5 through operational efficiencies and value-added processing.
- Price Scenarios: Projections based on current market prices for recyclable materials with moderate annual appreciation.
- Breakeven Analysis: Projected operational breakeven achieved in Year 3, with full investment recovery by end of Year 5.

These projections align with research indicating that recycling operations can achieve profit margins of 12-18% once established, with the paper recycling sector in Indonesia showing similar financial trajectories. The model incorporates Tanzania's specific operational costs and market conditions while ensuring compliance with all regulatory requirements.

## 10 Capacity of the Project

### 10.1 Phase 1 Processing Capacity

The initial \$600,000 investment will establish the following processing capacities across our material streams:

- Plastic Processing: 120-150 tons annually of mixed plastics, producing sorted flakes and pellets for industrial customers. This represents approximately 30% of the estimated recyclable plastic waste in the Bagamoyo region.
- Paper Processing: 80-100 tons annually of mixed paper and cardboard, producing sorted bales for paper mills and packaging manufacturers.
- E-Waste Processing: 40-50 tons annually of regulated electronic waste, compliant with Tanzania's 2021 E-Waste Management Regulations .
- Metal Processing: 100-120 tons annually of ferrous and non-ferrous metals, producing sorted bales for metal recycling industries.

### 10.2 Scalability and Expansion Potential

The five-acre facility provides substantial expansion capacity for future growth. Phase 1 will utilize approximately 40% of the available land, allowing for significant capacity increases without additional land acquisition. Based on successful recycling operations in similar markets, such as the Irish WEEE pre-treatment facility that processed 75% of the country's e-waste , Evercycle has designed its infrastructure to scale efficiently with growing demand.

Capacity can be increased through additional shifts, equipment optimization, and selective technology enhancements. By Year 3, we project increasing overall processing capacity by 60-80% with incremental capital investments of \$150,000-\$200,000, funded through operational cash flow. This expansion potential ensures Evercycle can grow with Tanzania's recycling market while maintaining strong financial performance.

## 11 Regulatory Compliance and Risk Management

### 11.1 Tanzania Regulatory Framework

Evercycle's operations will fully comply with Tanzania's comprehensive environmental regulatory framework:

- Environmental Management Act (2004): Compliance with national standards for waste management, pollution control, and environmental protection .
- E-Waste Management Regulations (2021): Secure all required permits for e-waste collection, transportation, and processing as detailed in Part IV of the Regulations .
- Local Government Requirements: Adherence to municipal waste management regulations and facility operational standards in Bagamoyo Urban Area.

#### 11.2 Risk Mitigation Strategies

- Market Risk: Fluctuating commodity prices for recycled materials will be addressed through diversified product lines and forward supply agreements with creditworthy customers.
- Operational Risk: Comprehensive safety protocols, equipment maintenance schedules, and redundant systems for critical processes will minimize operational disruptions.
- Regulatory Risk: Ongoing monitoring of regulatory developments and active engagement with regulatory authorities, including the National Environment Management Council (NEMC) .
- Supply Chain Risk: Multiple collection channels and incentive programs will ensure consistent input supply, reducing dependency on any single source.

By implementing this comprehensive business plan, Evercycle Resource (Tanzania) Limited will establish a sustainable, profitable operation that generates significant environmental and social benefits while complying with all Tanzanian regulatory requirements. The \$600,000 initial investment will create a foundation for long-term growth in Tanzania's evolving waste management sector.

