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# SETTING UP A PLASTIC WASTE RECYCLING BUSINESS





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# INTRODUCTION

## 1.0 – OVERVIEW OF THE PLASTIC WASTE RECYCLING BUSINESS IN NIGERIA

Recycling has been around for a very long time. Scavengers who would rummage through the garbage heap then operated at sub-par standards, and people associated with recycling were viewed as paupers and delinquents.

Years ago, some people would ask to exchange used bowls and buckets for something or the other. That was the informal practice. Formal recycling in Nigeria only began about a decade ago in 2013 when Polyethylene Terephthalate (PET) bottles were made popular.

Today, there is accessible information on the industry and the various materials that can be recycled. In the past, it was only metals. Many of the informal recyclers were only interested in metals. Now, people recycle plastic, tyres, batteries, and more recently, polystyrene. Before this, society ignored certain plastics that were difficult to recycle and allowed them to remain in the environment. Technology is growing to address those types of plastics like polystyrene or Styrofoam. These are soft packaging materials used in protecting packaged electronics.

Besides these developments, there has been some work done to improve recycling methods for these types of plastics, and technology has made the process seamless. The global recognition of plastic pollution and how it contributes to climate change, has beamed the lights on formal recycling. These were not in place in the 70s and 80s when waste pickers or scavengers defined the industry. The scavengers limited the practice to selling scrap metal for little value, and then the buyers would crush and convert them locally, using crude processes.

With more refined processes and technology available now, the industry has changed holistically. Those who gather the waste for recycling do not process it. They only collect and sell to off-takers, who process the plastics into flakes and wash and dry them before selling. This adds a little more value to plastic waste. There is plenty of information on the internet about PET recycling. All you have to do is go online and if you type 'waste recycling in Lagos or Nigeria', a lot of information will pop up and you do not need to be a guru at it to start. You can learn when taking steps in the business.

“

**Now, people recycle plastic, tyres, batteries, and more recently, polystyrene. Before this, society ignored certain plastics that were difficult to recycle and allowed them to remain in the environment.**

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## 1.1 – TYPES OF PLASTIC WASTE

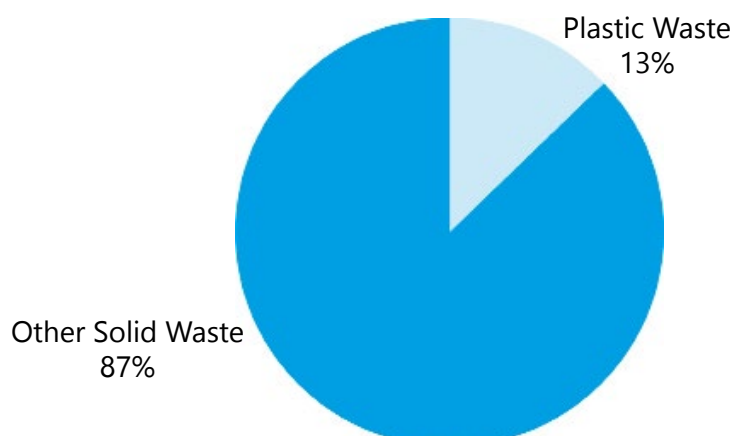
There are different types of plastic waste. The common ones are PET bottles, beverage bottles, bottled water, and soft drink bottles. Pure water sachets are another kind of plastic. The packaging wraps used in packaging bottled water plastics called ‘Shrink Wrap’ are another Low-Density Polyethylene (LDP), High-Density Polyethylene (HDP), plastic bowls, paint bowls, broken plastic chairs and crates are another category of plastic waste. In the plastic spectrum, many people concentrate just on PET. There is polypropylene. There is polyethylene. There is polystyrene. People focus on their area of interest.



## 1.2 – PROMOTING THE RECYCLING CULTURE IN NIGERIA

Nigeria generates 32,000,000 tons of municipal solid waste annually. About 13% of that volume is plastic. This informs the need for plastic recovery schemes and infrastructure to support the idea of recycling that huge volume of plastic. Over the years, they have ended in dumpsites and landfills with scavengers barely scratching the surface of recycling.

**ANNUAL MUNICIPAL SOLID WASTE**



In Nigeria, plastics litter the streets and clog drainage canals. This leads to flooding, and water and marine life pollution. Nigeria, being a consumer-driven nation, uses a lot of plastic, which has become a source of livelihood for many. Since the advent of pure water sachets, there has been a huge reduction in waterborne diseases in our country. This market provides a huge ton of jobs for the populace. Recycling, therefore, with the right structures in place, can be a lucrative industry.

“

**In Nigeria, plastics litter the streets and clog drainage canals. This leads to flooding, and water and marine life pollution.**

”



The Lagos State Waste Management Authority (LAWMA) is a regulator of solid waste in Lagos State. They have developed the Lagos Recycle initiative where they provide support and encouragement to recyclers. Sometimes, LAWMA supports aggregators with space to assemble the plastics because space is a major factor and challenge in this business. So far, the Lagos Recycle initiative advocates for household waste recycling and creates awareness. They also have an app (Pakam) that encourages households to sign up for aggregators to pick up recyclable waste from their houses. Households are paid a fee for their waste.

There are emerging structured engagements and frameworks to support plastic waste management. The Federal Ministry of Environment has come up with a plastic waste management policy, recently approved by the Federal Executive Council. Some corporate companies are currently in Nigeria, most of them Chinese, Indians and Lebanese, playing strongly in the upstream sector, recovering most of these plastics and exporting them. With a robust intervention, more indigenous companies will enter the sector. Local companies now use formal incentive-based methods to recover plastics. There are off-takers in the country leveraging formal structures of plastic collection and processing using buy-back schemes. Some of them are: Recycle Points, WeCyclers, Chanja Datti, Going Green, Green Hill and more.

The goal is for off-takers to produce flakes or plastic resin useful for producing items like polyester fiber. These are converted to different plastic products that consumers can use again, facilitating a circular economy. The major challenge has been the idea of having an effective collection infrastructure that will support the recovery of the enormous volume of plastics injected into the environment daily.



### 1.3 – APPLICATION OF RECYCLED PLASTIC

In Lagos, there are companies like Alef Recycling, producing bottles from recycled bottles. Then, there is a company that uses those plastic bottles to produce polyester fiber used in making mattresses and foams for bedding. In the automobile sector, they are used for vehicle manufacturing. Polyethylene is used for buckets and other home plastics, like packers and hangers.

In Europe now, there is a demand to make sure that manufacturers do not use only virgin resin in their manufacturing. There is a percentage of recycled material mandatorily included in production to encourage the idea of recovering these wastes.

Polyester Fibre Product

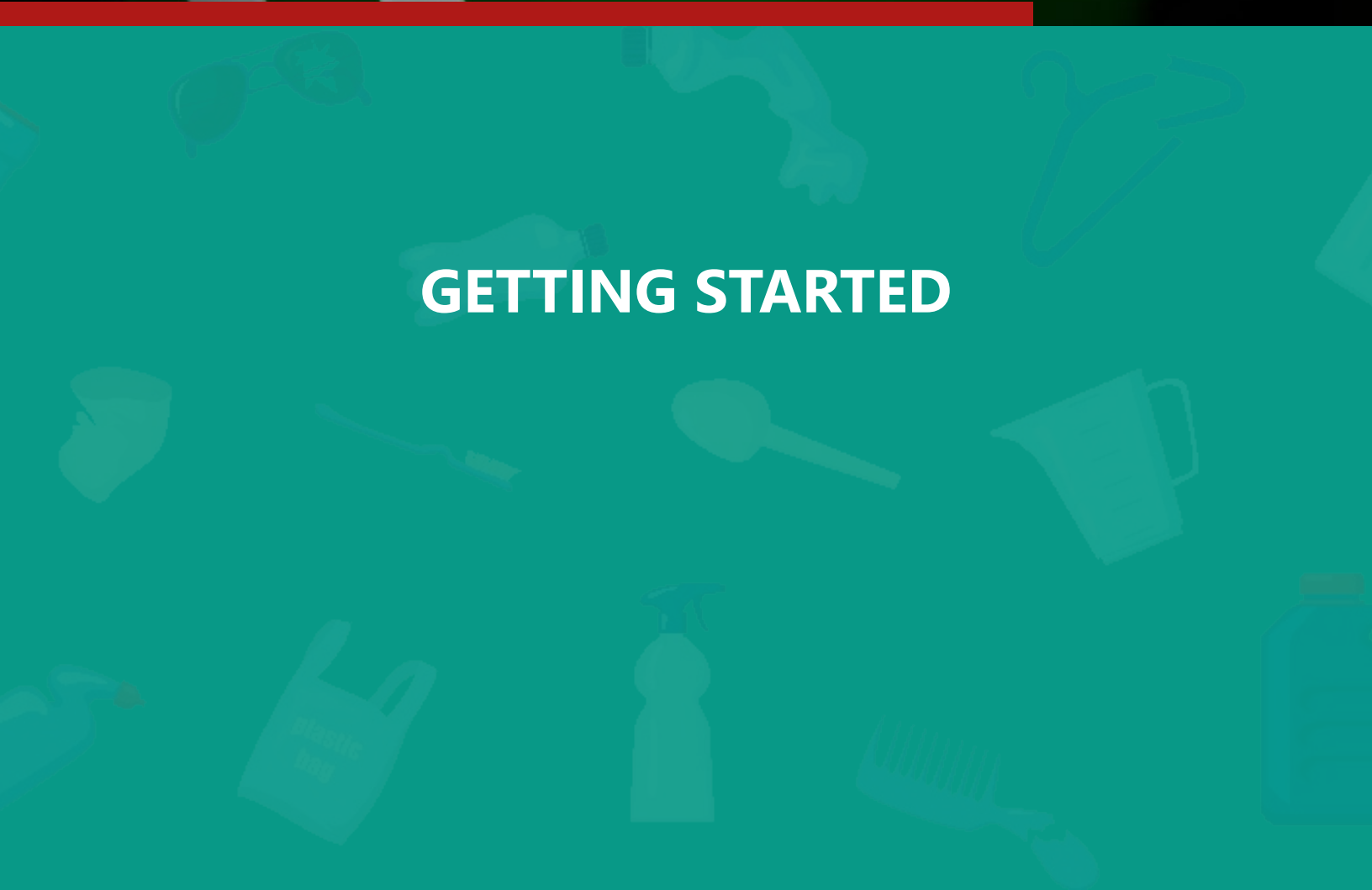


Polyethylene Plastic Product



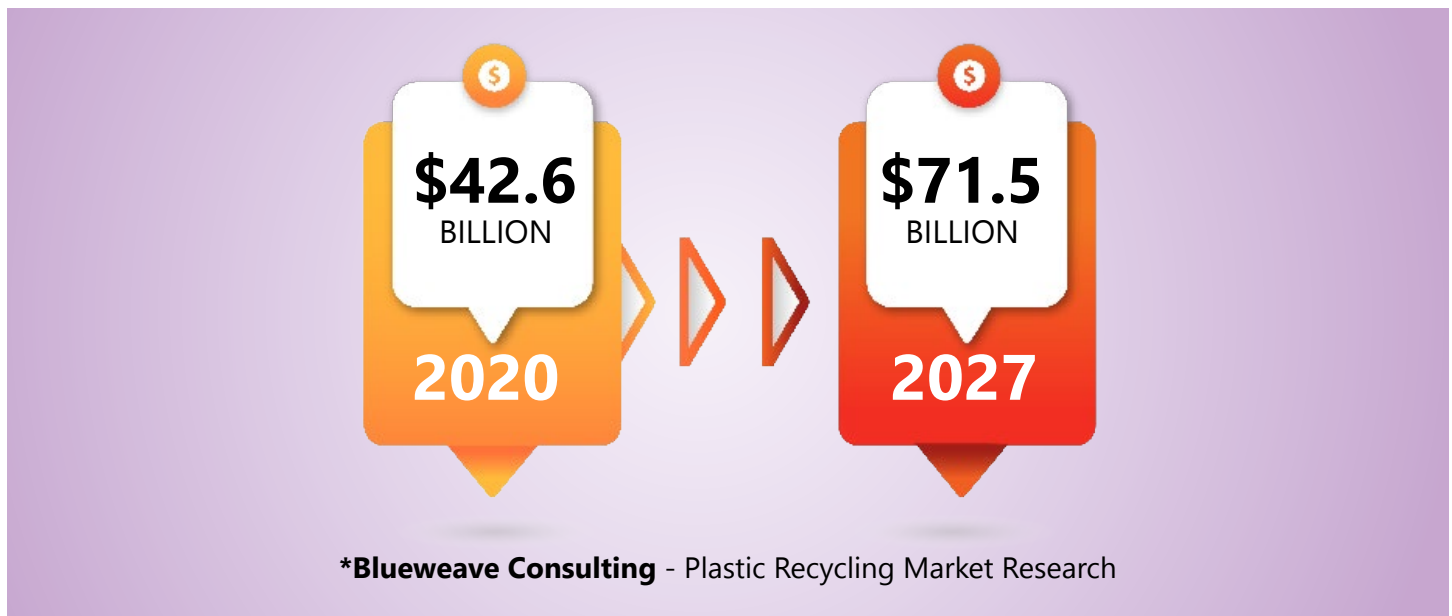


## GETTING STARTED



## 2.0 – THE BUSINESS OF PLASTIC WASTE RECYCLING

Waste recycling is a viable business with brilliant prospects. According to a study by Blueweave consulting, a market research firm, the plastic recycling market was worth \$42.6 billion in 2020 and is projected to reach \$71.5 billion by 2027. Around the world, there is an increasing consumption of plastics, and this is driving the rising demand for recycled plastics. Nigerians have not fully embraced the culture, and businesses have to do the work of creating a system of collecting plastics for recycling. PET is the most popular plastic recycled in the country. Nigerians consume a good volume of water and carbonated drinks, often packaged in PET bottles. Manufacturers use recycled waste as raw material for producing furniture, and other products. However, recyclers must ensure that recycled plastics for cutlery and other food packaging are free from chemical contaminants that are hazardous to consumers. The easiest way to avoid this is by sorting and recycling food-contact and non-food contact materials separately.



The value chain for PET waste recycling comprises:

### i. Collection

Here, you collect the waste plastic bottles and general plastics from dumpsites, hotels, event centres and individual collectors. You can establish partnerships with event centres to pick up their recyclable materials. There is a good volume of plastic waste in these places. Event centres are open to this because it is a win-win situation for them; you are saving them the cost of disposing of these items while you get materials to run your business. Individual collectors are mallams, men and women who pick plastic from homes and the environment. They gather them in large quantities.



Interestingly, there is the household collection. With more awareness, households now sort their waste plastic for collection. Individuals also contact recycling businesses, to buy their plastics via social media. This is a little cumbersome because people want them to pick up their small quantities. For this to work, a sustainable solution like collection centres in neighbourhoods, needs to be established.

Today, there are recycling mobile applications that individual collectors can download to their devices and input their personal information to reach buyers or recycling facilities in their locality. Then, they can pick up and purchase. More awareness needs to be created for people to learn about the apps and embrace them. One of which is PAKAM.

## ii. Sorting

After collection comes the sorting process. This is the separation of the bottle caps and labels from the bottle. You can then compress the bottles and caps (separately) into bales and take them to off-takers for further processing. Alternatively, you can shred them in the machine to produce PET flakes.

Many end users have their particular specifications, so if you have a particular specification from a customer, adhere to that. The flakes are cold washed and dried, then bagged for sale. However, you can sell at any stage of the value chain. You may simply sell the plastics with the bottle caps and labels on, but you will make more money when you separate the caps before selling.

“  
**Alternatively, you can shred them in the machine to produce PET flakes.**  
 ”

**Details of the Sorting Process**

You must train sorters on the sorting process and engage them on a contract basis. They receive the waste after collection and identify different types of plastics, from high density to low-density material. Then, they separate them according to colour and type. There are various colours of nylon and plastic. Similar coloured materials are crushed together. You cannot add any other type of coloured additive like red or yellow to a material that is already multi-coloured. It will give you a different colour during production. There are clear wastes, transparent or white wastes. These are sorted separately. After recycling, the white or clear waste can be used to make any colour of choice; yellow, red, blue, green, whatever.

This depends on how neat the wastes are. There are different grades of white. There is a Virgin White that looks clear. Rose White is next to it in transparency; and White, which is not as bright as the Rose White. The lowest form is Off White, which is a bit dirty.

Besides this, sorters remove impurities that are not plastic, such as cello tape, paper, sand, and stones. After this, they bag and weigh the plastics.



### iii. Recycling

Plastics are recycled according to type. Low-density materials are recycled together, and high density, together. The same goes for the colours. These individuals process the flakes into finished or semi-finished goods. This can be done with locally fabricated machines or an imported automatic one that achieves in one day, what the locally fabricated one does in a week. You put the waste into the machine and add some amount of water. Leave it to cook to a certain temperature and churn out the contents, which will be in powdered form. These are the plastic flakes, ready to use.

Some people go further to pelletize them into granules, yarn them into thread-like fiber, or other products. That is for the pet bottles. Pure water sachets are processed into waste bags. HDPs, the high-density plastics like bowls, broken chairs and crates are shredded for producing bowls, cutlery and furniture.

“

**Plastics are recycled according to type. Low-density materials are recycled together, and high density, together.**

”



Pelletized Recycled Plastic for Cable

## 2.1 – IDENTIFYING THE RIGHT WASTE COLLECTION METHODS AND LOCATION FOR YOUR BUSINESS

### Methods

Waste collection works with a blend of people bringing the recycled waste to you, and you sourcing for your waste by setting up collection points. But how do you determine the most lucrative areas that will attract large volumes of plastic to your business? There are different ways to collect waste plastic. Simply try to be innovative about it. Options include:

- **Waste Pickers**
- **Community Collection Sites / Drop-off Centres**
- **Collaboration with Event Centres**
- **Plastic Collection Waste Bins in Schools, Churches and Bus-stops**

### Finding the Right Location

#### i. Collaboration

One of the major things to do when starting your recycling business is to identify other stakeholders in the business and develop key relationships. These relationships are essential for accessing funding, learning new, working industry methods and launching impactful recycling programmes.



## ii. High Traffic Means More People

The important thing is to identify areas and communities where there is high traffic of people generating plastic waste and then create a collection model around it. Having bins in high-traffic areas has the challenge of people mixing up the plastic with general waste. Central and commercial locations like Obalende, generate a lot of waste. Find a model that works for you.

## iii. Determine the Social Class of the Population

Study the socio-economic class of the people in the area. Do they take sachet or bottled water? What kind of waste do they generate? High-income areas like Victoria Island and Ikoyi mean people will consume more bottled water and drinks. In low-income areas like Mushin, more people will consume water in sachets (locally referred to as 'pure water').

## iv. Work with Aware Communities and Businesses

Here in Nigeria, finding communities that are already aware of recycling may imply that you have to create the awareness yourself. Engaging in community advocacy builds awareness and draws attention to your initiative. Give incentives to encourage people to bring their plastics to your location. You may have to pay for logistics or clean up after parties, church services and other events at event centres. After creating awareness in schools, set up recycling clubs among the students and then locate your bins within the school premises to encourage the practice of what you have taught the students, and at the same time, collect their waste plastic.

“ Here in Nigeria, finding communities that are already aware of recycling may imply that you have to create the awareness yourself. ”

## 2.2 – KNOWING YOUR TARGET MARKET

A target market enables you to focus your marketing on the market segment that is most likely to buy from you. The general market for the waste recycling industry is off-takers and manufacturers. However, as a business, you still have to find your customers in the crowd. The best way to do this is to study the market. Develop your value offering around the needs of the customer. Understand the customer's motives, objectives, demographics and lifestyle. This will help you create a customer profile that will inform your strategies, product design, and delivery.

After you have created a profile, finding your customer becomes easier. Network with the people in the industry to get information. Joining associations like the Recycle Association of Nigeria



and the Lagos Recyclers Association will help you meet the right people.

Secondly, have an online presence. Platforms like GoogleMyBusiness, Facebook and a business website will help you get found on the internet. People beyond your network will contact you to request for plastics.

Thirdly, think of corporate organizations, and manufacturers that need your products and try to engage them.

## Defining Your Niche

### i. Define the area you want to operate in

Your niche is the particular segment of the industry you want to serve. To do this, understand the value chain and choose your area of entry. Next, identify the end-users of your product. Some end users may be interested in buying HDPs, while others are only interested in PET.

### ii. Do a Feasibility Study

Get knowledge. Do not jump in because others are there. Recycling is not something you dabble in with no knowledge base. You need to have yourself equipped to choose your segment and the role you want to play. Let it look good on paper before you launch into it.

“

**You need to have yourself equipped to choose your segment and the role you want to play.**

”

### iii. Draw Up a Business Plan

From the findings of your research, draw up a plan in which you define your ideal customer, their problem, your solution and your pricing structure. This plan must represent the learning from your study.

### iv. Choose Your Marketing Channels

There is a huge, ready market for recycled plastic. Buyers are begging for supply. However, you need to promote your company and its initiatives so that your stakeholders, collectors, buyers and community can know about you. Some ways to promote yourself include:

- **Social Media**
- **Television and Radio Ads**
- **CSR/Community Programs**
- **Community Advocacy to advance the recycling culture**
- **Stakeholder Engagement**

### 2.3 - EQUIPMENT REQUIRED FOR PLASTIC WASTE RECYCLING

The equipment you will need will depend on where you want to operate in the value chain. In the plastic recycling business, you will need the following:

<b>Baling Machine</b>	For compressing plastics
<b>Crushing Machine or Pelletizer</b>	For crushing plastics
<b>Shredding Machine</b>	For shredding plastics into flakes
<b>Recycling Washline</b>	For cleaning the crushed bottles
<b>Dryer</b>	For drying the flakes
<b>Extruders</b>	For manufacturing semi-finished products like polythene
<b>Injection Moulding Machine</b>	For producing plastics

The difference between an extruder and an injection machine is that the extruder makes only nylons and polythene and you do not require a mould. Some of the equipment is capital intensive, however, outsourcing some processes to established businesses will help any start-up build capacity before purchasing their assets.

## 2.4 - REGISTRATION, LICENSING AND REGULATORY REQUIREMENTS

### Corporate Affairs Commission (CAC)

Like every other business in Nigeria, you need to register the name of your recycling business with the Corporate Affairs Commission (CAC). **You can register via CAC's website or contact the service of a lawyer to do so on your behalf. Details of how to register can be found in the Appendix.**

### Lagos State Waste Management Authority (LAWMA)

To operate as a recycler in Lagos state, you must have a license from the Lagos State Waste Management Authority, which is LAWMA. The steps involved include:

- a. Write a letter to LAWMA (see sample letter below)

The Managing Director,  
Lagos Waste Management Authority (LAWMA)  
3, Otto Road, Ijora Olopa, Lagos

#### **PROPOSAL FOR RECYCLABLE WASTE COLLECTION**

Sequel to the Blue Box Initiative for waste recycling in Lagos State, we hereby request the license for recyclable waste collection in (location). Our collection centre will be located at (detailed address). With interest in all kinds of recyclable waste, ranging from PET bottles, cans, metal, carton, plastic waste etc.

We are well aware of the rules and regulations governing this business and all of this will be carried out in detail.

We look forward to a positive response.

Regards,  
(Name)

- b. Submit a letter physically to LAWMA's office at Ijora or via email: [info@lawma.gov.ng](mailto:info@lawma.gov.ng)
- c. LAWMA schedules a visit to your workspace to do an onsite accreditation
- d. If the site meets the requirements, you are asked to pay a license fee and the license is issued. (Please see a sample of the license below)



Registration with the Lagos Recyclers Association (LAGRA) and Recyclers Association of Nigeria (RAN). (These are optional). However, if you register with the Recyclers Association of Nigeria (RAN), you don't have to pay N100, 000 to register with LAWMA. You will get a 20 – 25% discount for being a RAN member.

### **Benefits of signing up with LAWMA**

- Free Aprons and face caps
- Automatic membership with Lagos Recyclers Association (LAGRA)
- You get Access to be a collector on PAKAM, the mobile household recycling app

### **National Environmental Standards and Regulations Enforcement Agency (NESREA)**

If you are a formal recycler, you should have an affiliation with NESREA, which is a national regulatory agency. All the recyclers are under this umbrella body.

### Extended Producer Responsibility policy (EPR)

EPR is facilitated by NESREA, the agency of the Federal Ministry of Environment, responsible for regulating environmental standards. The EPR policy mandates producers of all kinds of items, especially packaging, to take full responsibility for buying back the packaging items they inject into the environment. The policy has a framework that informs that every packaging and production company comes under a Producer Responsibility (PR) organization. Currently, the only PR companies that are existing in the country are the ones that handle plastics. A bulk of the plastic recyclers go for the ones handling food and beverage, which is called Food and Beverage Recycling Alliance (FBRA).

It is not that plastics are not found in the battery and electronic sectors, but the bulk of packaging that comes under the plastic spectrum is one that the producer responsibility organization under FBRA covers. They came into existence in 2018. They have been trying to support activities around plastic collection.

### Associations

#### Recyclers Association of Nigeria (RAN)

Registered businesses in the waste management and recycling space can become a member of RAN. You can do this by communicating your request via email to: [nigerianrecyclers@gmail.com](mailto:nigerianrecyclers@gmail.com) or contact the executives listed on RAN’s website. They have different membership categories, and you can choose to join any. Each category requires that you pay a fee that is renewable annually.

Membership Category	Fee(₦)	Details
Corporate Membership (Voting Member)	20,000	Renewal – 18,000 Definition: A registered company with CAC in the recycling space <ul style="list-style-type: none"> <li>• Can be nominated to become an executive</li> <li>• Access to WhatsApp group</li> <li>• Access to the membership portal</li> <li>• Discount on events</li> </ul>
Affiliate Membership	7,000	Renewal – 5,000 Definition: For employees of a Corporate Member Organisation <ul style="list-style-type: none"> <li>• Access to WhatsApp group</li> <li>• Access to the membership portal</li> <li>• Discount on events</li> </ul>

Associate Membership	10,000	<p>Renewal – 7,000</p> <p>Definition: (a). Individuals in the recycling industry value chain, or has a strong interest with evidence in the recycling value chain. Could also be working on a recycling project.</p> <p>(b). A newly established company in the recycling industry less than two years old.</p> <ul style="list-style-type: none"> <li>• Can be nominated to support Executives on a project</li> <li>• Access to WhatsApp group</li> <li>• Limited access to the membership portal</li> <li>• Discount on events</li> </ul>
Student membership	5,000	<p>Renewal – Payment is valid for the period of study.</p> <p>Definition: A full or part-time student with a strong interest in the recycling industry</p> <ul style="list-style-type: none"> <li>• Access to WhatsApp group</li> <li>• Access to the membership portal</li> <li>• Discount on events</li> </ul>

*Cost of getting equipment as at March 2022*

## 2.5 - FINANCIALS

### Procurement and Maintenance of Machinery

People who desire to enter this industry must know that much of the machinery required for recycling plastics are bought abroad and the expertise to maintain them does not come cheap. Fabricators in Nigeria have tried their hands on locally made alternatives but without great success. The framework to support the sector is not very formal, so you find out that a roadside welder may be the one trying his hands at producing a baling machine or crusher. Then, because it does not meet a particular standard, it breaks down within a short time.

The imported machines last longer because trained engineers built them, but they are very expensive. It requires huge funds, and foreign exchange, and most entry-level recyclers do not have access to these funds. Commercial financial institutions are not very conversant with what happens in this industry and they find it very challenging to bankroll funding for equipment. However, the unavailability of capital should not discourage you from venturing into the business, as many people started small and are running flourishing businesses today.

## Required Costs to Set Up a Plastic Waste Recycling Business

Capacity is everything for a startup. Your costs will depend on the volume you want to produce or the area you want to focus on. For instance, if you want to manufacture a ton of plastic every week, what you need to start up will be less than somebody that wants to make 20 tons a week. The second factor is your budget. Your budget depends on your financial capability. The basic thing you need for every manufacturing business is power. There has to be constant power supply because you cannot break even using a generator. Having a constant power supply in Nigeria is tricky. Once you have the basics covered, determine what recycling machines you require for your business. You do not have to start with everything. You could invest in the one most important to your business and outsource the other processes. Many recyclers do not start with recycling machines until much later when they can afford to buy theirs.

For instance, if you want to focus on the collection and you already have a space to keep the plastics collected you can start with as low as N100,000. The key is to think big, but start with what you have. Please see below the estimated startup cost for different aspects of the plastic waste recycling business:

### Collection

S/N	Description	Cost (₦)
1	A space	Depends on Location
2	Hand Scale	20,000
3	Jumbo bags (30 @ ₦1600 each)	48,000
4	Mosquito Nets (Used to bag Plastics) (20 @ ₦700 each)	14,000
5	Electric Cargo Bikes (Optional)	800,000

*Cost of getting equipment as at March 2022*

### Bailing

S/N	Description	Cost (₦)
1	Bailing Machine	2,000,000
2	Ground Scale	250,000
3	Iron Bender (for binding the bailed materials)	
4	Man power (machine operators) 2 @ ₦50,000 each	100,000
5	Sorters (Paid based on total number of weights they sort daily)	The average is 15 naira per kg
6	Jumbo bags (30 @ ₦1600 each)	48,000

*Cost of getting equipment as at March 2022*

## Crushing

S/N	Description	Cost (₦)
1	Shredding Machine	3,000,000
2	Ground Scale	250,000
3	Man Power (machine operators) 2@ ₦50,000 each	100,000
4	Sorters (Paid based on total number of weights they sort daily)	The average is 15 naira per kg
5	Jumbo bags (30 @ ₦1600 each)	48,000
6	50kg Bags (to bag the PET Flakes) 50@ ₦100 for 1	5000

Cost of getting equipment as at March 2022

## Crushing and cold washing (removal of light impurities in a cold bath):

S/N	Description	Cost (₦)
1	Shredding Machine	3,000,000
2	Ground Scale	250,000
3	Man Power (machine operators) 10@ ₦50,000 each	500,000
4	Washing machine	3,500,000
5	Dryer	2,500,000
6	Sorters (Paid based on total number of weights they sort daily)	The average is 15 naira per kg
7	Jumbo bags (50 @ ₦1600 each)	80,000
8	50kg Bags (to bag the PET Flakes) 100@ ₦100 for 1	10,000

Cost of getting equipment as at March 2022

## Crushing and hot washing (the washing of flakes in a hot chemical bath):

S/N	Description	Cost (₦)
1	Complete crushing line	40,000,000
2	Heater	7,000,000
3	Man Power (machine operators) 20@ ₦50,000 each	1,000,000
4	Weight Bridge (30 ton)	10,000,000
5	Dryer (Bigger)	4,500,000
6	Sorters (Paid based on total number of weights they sort daily)	The average is 15 naira per kg
7	Jumbo bags (50 @ ₦1600 each)	80,000
8	50kg Bags (to bag the PET Flakes) 100@ ₦100 for 1	10,000

Cost of getting equipment as at March 2022



The general cost of other equipment you may need are listed below:

S/N	Equipment	Cost (₦)
1	<b>Optical Sorting Machine</b>	<b>7,400,000</b>
2	<b>Bailing/Crushing Machine</b>	<b>4,000,000</b>
3	<b>Agglomerator</b>	<b>1,500,000</b>
4	<b>Extrusion Machine</b>	<b>30,000,000</b>
5	<b>Pelletizer</b>	<b>5,000,000</b>
6	<b>Shredder (Locally fabricated)</b>	<b>4,000,000</b>
7	<b>Shredder (Imported)</b>	<b>40,000,000</b>
8	<b>Digital Scale</b>	<b>180,000</b>
9	<b>Locally Fabricated Dryer</b>	<b>2,300,000</b>
10	<b>Rent (Space)</b>	<b>2,000,000</b>
11	<b>Generator</b>	<b>250,000</b>
12	<b>Logistics (Trucks, Vans etc.)</b>	<b>To be determined by what you decide to use</b>
13	<b>Registration fees for regulatory bodies and associations</b>	<b>To be determined by the number of associations you register with and the going rate as at when you join</b>

*Cost of getting equipment as at March 2022*





# SETTING UP AND MANAGING YOUR PLASTIC WASTE RECYCLING BUSINESS

### 3.0 – TIPS FOR MANAGING YOUR PLASTIC WASTE RECYCLING BUSINESS

There is no productivity without proper management. Every startup must think of the management need of its organization. You must think of how you will accomplish your objectives, serve your customers, and grow the business. Proper management will enable you to effectively channel and optimize your resources, manage your time and team, reduce cost and increase efficiency and profitability.

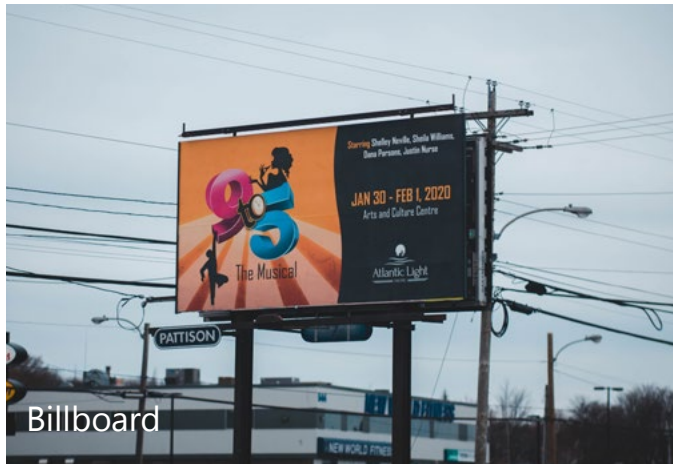
Here are some tips to help you manage your plastic waste recycling business.

- Study the market to understand the complexities involved.
- If you lack capital and experience, do not rush into buying machines. Start small.
- Set concrete goals.
- Monitor your cash flow and put away part of your profits to reinvest in your business.
- Document your processes and keep records.
- Separate your personal and business finances.
- Get training and mentorship to increase your knowledge base and limit your mistakes.
- Learn to market, customer service and negotiation skills by understudying experts.
- Know a little about your machines, so that you can understand the parts; and you will not be stuck or cheated by shady mechanics.
- Do not be desperate for money. Be ready to put in the sacrifice of time and training to build a sustainable brand.

### 3.1 – KNOW THE RIGHT ADVERTISING TOOLS TO USE

In the plastic waste recycling business, creating an awareness of the benefits of recycling to both the environment and individuals is vital in getting the word out about plastic recycling. But what sort of advertising do you need to do to get visibility and patronage for your brand? In addition, how big is your advertising budget? Advertising tools range from low-cost options of social media, networking and word-of-mouth referrals, to high-cost options of traditional media like radio, television, billboards, branded vehicles and more.





Billboard



Television

**i. Before you advertise, be clear about your objectives.**

- Do you want to create awareness in the community?
- Do you want to attract manufacturers to buy from you?
- Do you want to attract households and other collectors to your site?

You must define the job your advert will do so that your money and efforts are wasted.

**ii. Assess your advertising budget.**

How much can this cover? What type of advertising will be suitable? Will it pay for radio jingles and air-time, and for how long will they run? Would it be easier and more effective to pay for social media adverts or print fliers for circulation in the environment?

Here are a few advertising methods you can choose from:

- **Creating Awareness:** Many people in Nigeria do not know that plastic recycling is an option for the waste they generate and that value can be gotten from it. Community advocacy will engage stakeholders in the communities you work in and will help to create awareness of plastic waste management and its benefits.
- **Website:** Having a website that can be found on Google is a way to reach people especially 'millennials'. Nowadays, if anybody wants information about anything, the first thing they do is to 'Google' it.
- **Social Media Channels:** This is a great way to showcase what your business is about. Choose the platform that works for you – Instagram, LinkedIn, Facebook, WhatsApp, Pinterest, YouTube, TikTok and more.
- **Word of Mouth and Referrals.**
- **Corporate Social Responsibility:** These are initiatives where you give back to the community you are operating from that will endear the community to your business. Community programs like celebrating World Clean Up Day, which takes place on the 18th of September, are a great way to show how plastic recycling is good for the environment.

“

**You must define the job  
your advert will do so that  
your money and efforts  
are wasted.**

”

### 3.2 – SET GOOD PRICES FOR YOUR PRODUCTS

Due to the sheer volume they purchase, some major buyers in the industry dictate the price they want to pay for recycled plastics. Lexsz Plastics Ltd, one of West Africa’s leading players in plastic waste recycling and a big buyer of recycled plastics, has a price list that regulates the price. However, there is a growing demand for recycled plastics. Therefore, sellers can also set their prices. With the market demand currently greater than the supply, sellers decide to sell at whatever price suits them. Most businesses in this competitive market sell to the highest bidder. You are at a greater advantage to negotiate when you sell larger volumes of recycled products. It is advisable to consider your cost of production, and then peg your prices within the going market range.

Another important factor to consider is seasonal changes. During the rainy season in Nigeria, people are not dehydrated, so they drink less and therefore the volume of PET bottles disposed of is reduced. As a result, people in the sector cannot source enough plastics. Many buyers struggle for too few products because their production capacity remains unchanged. However, in the dry season, everybody is dehydrated, because the weather is often very hot. Therefore, people drink more water and carbonated drinks, so there is a huge influx of PET plastic products. These are some of the industry dynamics you need to understand before you get involved.

The market price of plastics is often proportional to the price of crude oil. During the period of the COVID-19 pandemic, crude oil prices dropped and the price of plastics nose-dived as well. When they rose, the price of plastics followed suit.

In recent times, the associations have worked towards regulating the prices. At the time of writing this, these were the going market rates.

S/N	Product	Volume (Ton)	Price (₺)
1	Plastic	1	120,000
2	Pelletized Plastic	1	200,000
3	Baled Plastic	1	140,000
4	Shredded Plastic	1	170,000

Prices as at March 2022

The major factor that informs pricing is the dynamics of demand and supply. You can rarely tell how the pricing will be. An off-taker can come into the market now because he wants to be able to exert some kind of market share, increase prices and everybody starts going towards that person and when he feels like he has gotten what he needs, he can crash the prices again.

No rule or regulation informs pricing in the recycled plastics market.

### 3.3 – GET THE RIGHT MANPOWER FOR YOUR BUSINESS

Businesses often have the challenge of staff retention and recruitment, especially in an industry like recycling where a good percentage of your staff are from the informal sector. For roles like pickers and sorters, there may be little loyalty to your business and deference to the highest bidder for a minor difference in salary. However, here are some tips to enable you to build the right team for your business.

#### a. Identify the Roles Your Business Needs

You must have a clear picture of the competencies your business needs. At some level, especially when you are starting, you may work with volunteers and sometimes you are all the team you have. However, as you grow, you must expand your capacity to achieve more and deliver excellence.

Here are some roles that your business might need:

##### i. Pickers and Sorters

Pickers and sorters collect and sort the waste in the early phase of the recycling process, separating the plastics from other debris. They are usually illiterate and require some training to function effectively.

**i. Manager/Head of Operations**

This role requires oversight of every collection, building the capacity of the team and ensuring that systems and processes are in place and running. The manager helps with the day-to-day planning, directing and control of the facility and the business. Many hiccups can arise in doing business and the manager ensures issues are resolved. The manager ensures records are kept, subscribers get their incentives at the right time, products are being sold, and invoices and taxes are paid on time.

**ii. Bookkeeper/Accountant**

This requires keeping records of what goes out and comes in from the organization through stocktaking and accounts entry.

**iii. Marketing and Communications Officer**

This role requires interfacing with corporate organizations through proposal writing, attending meetings, and training. The communications person is also in charge of managing the online communication, advertorials and press releases, putting out information about the company to the public.

**iv. Machine Operator**

Handles the operation, management and maintenance of the machines used in production.

**v. Security Personnel**

Stealing may occur within the business, especially among staff and external parties who have learned the value chain. The security personnel works to curb stealing within the production site.

**vi. Driver**

If you are into the collection and you have a truck, the driver works in logistics to transport goods from point A to B.



**b. Dignify the Roles by Developing a Human Capital Management System**

Business owners often complain about the human resource challenge, especially concerning staff competence and retention. However, if you understand human motivation and create a structure that answers to their needs, there will be lower staff turnover, because people realize you have created a desirable work environment. Nobody wants to be a sorter forever. Everybody has the ambition to leave one particular low level for a higher one. Therefore, if you dignify the work that people do, irrespective of their social status, they will see the benefits of working with you and stay.

For instance, if you give your sorters and waste pickers targets with attached incentives when they perform, you would have created a safe structure where they can earn above the average market wage. This is a point in your favor when they think of moving to another company.

Staff retention improves when you build a structure around your human resource. Structures like a health insurance program to support their healthcare payments when there are health challenges or on-the-job accidents, sewing uniforms for them can give them a sense of belonging and identity. This makes them feel valued.

“  
**Staff retention improves when you build a structure around your human resource.**  
 ”



Create systems for financial inclusion. For instance, for illiterate staff, you can teach them to use bank accounts and make them open one. Your company can start a corporate Esusu (corporate saving scheme) whereby the staff can save towards projects. If people know that if they leave the company, they will not be part of it, they will see themselves losing out.

These dignifying structures in your human capital management system build loyalty and increase staff retention.

### 3.4 – CHALLENGES FOR A PLASTIC WASTE RECYCLER

1	Availability of Materials
2	Vehicle Maintenance
3	Purchase and Maintenance of Good Equipment
4	Pilfering by Dishonest Staff
5	Financing the Purchase of Expensive Equipment
6	Availability of Space to Scale the Business
7	Inconsistency in Continuing Government Policies
8	Sourcing Clean Waste
9	Building the Right Team
10	Erratic Power Supply
11	Logistics
12	Raising Capital to Purchase Assets
13	A Deficit in Social Infrastructure
14	Centralization of Processing Plants in Lagos to the detriment of recyclers in other states
15	Recycling Mixed Products
16	Lack of Policy Regulation Around Product/Package Design
17	Barriers to Interaction with the International Market for Global Trade
18	Trade Regulations that protect local recycling businesses and check fraudulent practices by foreign traders

### 3.5 – RECORD KEEPING AND ACCOUNTING

A bookkeeping structure captures records of how you are handling your resources. You should document everything; delivery notes, waybills, invoices, receipts and payment vouchers. In a paperless world, there are mobile apps to aid you in keeping daily records. Your records show your growth trajectory and enable data mining for decision-making purposes.

- What is your business model?
- Do you budget?
- If there are price changes or inflation, how do you cushion such effects?

#### **Benefits of Record Keeping**

Without financial records, banks will not finance your projects or loan money to your business. Records are also important for human resource management. Paying PAYE tax, pension and other taxes that support social investment and employee welfare is vital. Use records to track your inventory, sales, operating expenses, marketing costs, staff costs and revenue, etc.

Keeping your books and working with an accountant leads to greater growth and effectiveness.



# EXPANDING YOUR PLASTIC WASTE RECYCLING BUSINESS

## 4.0 – EXPANSION STRATEGIES FOR YOUR PLASTIC WASTE RECYCLING BUSINESS

Business expansion is a point where a company seeks to grow its scale of operations, market share, and profits. This enables the organization to serve more people, and increase market dominance and leadership. Scaling your business ultimately builds the business' capacity to produce more by lowering unit costs. However, business expansion is different for entrepreneurs at various growth stages.

### Types of Business Expansion

In the plastic waste recycling business, expansion could be:

- Producing a larger volume of material
- Buying more equipment
- Acquiring a bigger space for production
- Transiting from manual and locally fabricated machines to automated, more effective recycling machines
- Accessing finance from banks and investors
- Establishing new locations
- Building new facilities
- Employing more staff to manage a larger volume of work
- Building structure into the business
- Penetrating virgin markets across the country
- Exporting products to international markets
- Diversifying operations across the production value chain
- Partnering with other institutions to increase capacity

Business expansion can happen through intentionally thought-out strategies, a sudden break in innovation or taking advantage of a market opportunity. It is important to note that good management is vital to sustaining growth. Some business owners may mismanage the sudden growth with exuberance or poor leadership skills, and this is dangerous for the business.

## Strategies for Business Expansion

### i. Lay the Groundwork for Expansion

A good expansion strategy starts with an assessment of your business's strengths and weaknesses. A great tool for this is the SWOT analysis. In the course of the assessment, you will define the unique opportunities your business can explore in the recycling space and the alliances or strategies to mitigate its weaknesses.

### ii. Acquiring Small Businesses

A business may acquire a small business in another location to increase its operations and branch network. Based on your capacity, you may identify a small business operating in a segment of the recycling value chain and make an offer to acquire it to expand your business operations.

### iii. Franchising

The franchise model is a great way to expand the reach of your brand by licensing other businesses to do business under your trademark and using your business model. Since various recyclers have developed their unique business models, you can scale your system through franchising and be operational in multiple locations.

### iv. Employee Stock Ownership Plans

You can create internal loyalty and expand your business by allowing your employees to invest in the business.

### v. Concentration

Here, you invest resources in your current product line and your existing market. Whatever you do on the recycling value chain can be intensified and scaled by acquiring more equipment that increases your volume of production, or marketing to broader locations to increase your reach.

### vi. Diversification

Here, you develop new products or expand into new markets.

### vii. Cooperation

Your business may cooperate with its competitors to consolidate its brand and expand its capacity. This may be through mergers and acquisitions, takeovers, joint ventures, or strategic alliances. To expand your business effectively, you must do your due diligence, and put in the time and effort required for you to succeed.

## 4.1 – ADDITIONAL PRODUCTS/SERVICE OFFERINGS TO CONSIDER FOR YOUR PLASTIC WASTE RECYCLING BUSINESS

### i. Building Bricks Out of PET Flakes

There are YouTube videos that show that recycling companies in foreign countries process plastic waste into building blocks and interlocking tiles. Although several Nigerian companies have ventured into this, they are too few to reduce plastic waste in Nigeria to the barest minimum. This makes it a great option to explore.



### ii. Pelletizing Plastic Waste

This is a capital-intensive venture, which has turned off many recyclers. However, it is a field that needs to be uncovered.

### iii. Making Roofing Sheets Out of Plastic Waste

Most roofing sheets are made from iron and the cost options for the poor are high. In other countries like Uganda and Somalia, making roofing sheets from plastic is being explored as an avenue for an affordable housing solution.



#### iv. Copolymers

Copolymers are different plastics combined with other products. They are not easily recyclable or not recyclable at all. Through research, one can explore the possibilities of recycling them.



Copolymer Product

#### v. Sweets and Biscuits Packaging

Recycling plastics for sweets and biscuits packaging is still untapped



#### vi. Closing the Loopholes

When there is flooding in major areas of the city of Lagos, used Styrofoam food packs clog the drainages. People are not involved in recycling them. When the government sees that nobody is doing anything to close the loopholes in the system, they may ban the use of such products in the country. This opens an opportunity for people to get involved in recycling such materials.

## 4.2 – SOME FUNDING OPPORTUNITIES AVAILABLE TO STARTUPS IN THE INDUSTRY AS AT MARCH 2022

### 1. Tony Elumelu Entrepreneurship Programme - <https://tefconnect.com/>

Launched in 2015, this programme sponsored by Tony Elumelu, the CEO of Heirs Holding, empowers young African entrepreneurs annually.

#### Eligibility Criteria

- You must be a resident of any of the 54 African countries and be legally accepted to work in the country you are applying from which must be African.
- Your business must not be older than 3 years.
- You must have a profitable business idea.

### 2. Lagos State Employment Trust Fund - <https://lsetf.ng/>

This is an initiative of the Lagos State government to financially empower entrepreneurs in Lagos and provide employment for the residents of Lagos.

#### Eligibility Criteria

- You must be between the ages 18 and 35
- Your business must be in any of these sectors: health care, entertainment, hospitality and tourism, manufacturing and fashion designing, and construction.

### 3. Bank of Industry (BOI)

This is an initiative by the federal government to financially empower small and large business enterprises to grow. BOI offers loans to interested enterprise owners. To access these loans, you need to visit the nearest BOI offices.

#### Eligibility Criteria

- Your business must be in Nigeria and must be registered.
- Profitable business idea should be submitted.
- You must be the right age to apply.

### 4. YouWin Connect Nigeria - <https://apply.youwin.org.ng/>

YouWin provides funding for young Nigerian entrepreneurs who lack funds to start up a business while also connecting them with industry experts to scale their ideas to profitable businesses. Participants of this programs compete to get the grant.

#### Eligibility Criteria

- You must be a Nigerian between the ages of 18 and 40 years.
- Your business must be located in Nigeria.
- You must be a graduate of a higher institution.
- You must not be a civil servant.



## 5. National Youth Entrepreneurship Empowerment Summit

This is a federal government initiative designed to equip young Nigerian entrepreneurs with the skills and training they need to boost the nation's economy.

### Eligibility Criteria

- You must be between the ages of 18 to 35 years.
- You must reside in and have a business in Nigerian.
- Your business idea must fall under these categories - ICT, fashion design, media and entertainment, filming, and architecture
- You will also need to upload a minute video showcasing your innovative idea on social media

## 6. Global Innovation Fund - [globalinnovation.fund/apply/](https://globalinnovation.fund/apply/)

Global Innovation Fund supports African entrepreneurs with innovative business ideas.

### Eligibility Criteria

- You must be a citizen of the African country you reside (applies to Nigerians)
- You must be 18 and above
- You must have outstanding business ideas

## 9. Aspiring Entrepreneurs Programme (AEP) Digital by FATE Foundation and Meta

AEP Digital is sponsored by Meta and in collaboration with FATE Foundation that manage the programme, aspiring entrepreneurs are enrolled into a 6-week training programmes where they will be supported with the necessary skills to start their businesses and build sustainable and profitable businesses. After the programmes, participants compete in a business pitch where the top 3 participant are seated to be awarded grants.

### Eligibility Criteria

- You must be a Nigerian youths
- You must have a certificate or statement of result from an accredited tertiary institution
- You must also submit your Resume/CV and birth certificate

## 10. Orange Corners Nigeria (OCN)

OCN is a free 6-month incubation programme by the Kingdom of the Netherlands in collaboration with FATE Foundation. It is designed to help youth develop their business concept and become successful entrepreneurs, by providing them with the necessary opportunities, skills and access to markets.

### Eligibility Criteria

- You must be an aspiring entrepreneur from Lagos, Nigeria
- You must between 18-35 years old
- You must have a validated innovative business concept, not more than 2 years old
- Your product or service must respond to a local challenge in Nigeria
- Your product or service must relate to the Sustainable Development Goals

**Note: These Opportunities are also available to migrants**



## APPENDIX





# WORKBOOK



## SELF-ASSESSMENT

### The Business of Plastic Waste Recycling in Nigeria

1. Discuss the business of plastic waste recycling.

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2. Briefly list and explain the value chain for the plastic waste recycling business.

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## SELF-ASSESSMENT

### Identifying the Right Waste Collection Methods and Location for Your Business

1. List 4 methods for collecting waste plastic

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2. How can you identify the right location for your recycling business?

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## SELF-ASSESSMENT

### Knowing Your Target Market

1. What is the best way to find your target market?

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2. List the steps you should take to define your niche.

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## SELF-ASSESSMENT

### Equipment Required for Plastic Waste Recycling

1. What equipment does a start-up require in the plastic waste recycling business?

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2. What is the bailing equipment used for?

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3. What is the extruder equipment used for?

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## SELF-ASSESSMENT

### Registration, Licensing and Regulatory Requirements

1. What are the steps you need to get a LAWMA License?

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2. What are the other benefits of getting a LAWMA License?

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## SELF-ASSESSMENT

### Financials

1. What is the estimated started up cost for starting the collection aspect of plastic waste recycling?

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2. What is the estimated started up cost for starting the bailing aspect of plastic waste recycling?

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3. What is the estimated started up cost for starting the crushing aspect of plastic waste recycling?

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# SELF-ASSESSMENT

## Tips to Managing Your Plastic Waste Recycling Business

1. List five effective management tips for a plastic waste recycling business.

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## SELF-ASSESSMENT

### Know the Right Advertising Tools to Use

1. Why is it important to have clear objectives for your advertising?

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2. Why are Awareness Creation and Corporate Social Responsibility great advertising methods for a plastic waste recycling business in Nigeria?

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## SELF-ASSESSMENT

### Set Good Prices for Your Products

1. What are the main factors that inform pricing in the plastic waste recycling industry?

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### Get the Right Manpower for Your Business

1. How can you develop a system for staff recruitment and retention in your business?

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## SELF-ASSESSMENT

### Challenges for a Plastic Waste Recycler

1. List five challenges a plastic waste recycling business might face

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### Record Keeping and Accounting

1. . Why is record keeping important to your business?

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2. What types of records are important for a business to keep?

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## SELF-ASSESSMENT

### Expansion Strategies for Your Plastic Waste Recycling Business

1. Name types of business expansion options in a plastic waste recycling business.

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2. What is the benefit of a SWOT analysis to a business's expansion strategy?

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## SELF-ASSESSMENT

### **Additional Products/Service Offerings to Consider for Your Plastic Waste Recycling Business**

1. List and discuss three unexplored areas in the plastic waste recycling business and the possible opportunities that businesses can tap into in the industry.

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### **Funding Opportunities Available to Startups in the Industry as of March 2022**

1. List three Funding Opportunities Available to Startups?

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# GLOSSARY OF TERMS





## GLOSSARY OF TERMS

TERM	DESCRIPTION
<b>Advertise</b>	Marketing promotion to sell products and services
<b>Advocacy</b>	Public support for or recommendation of a particular cause or policy.
<b>Affiliation</b>	Connection
<b>Association</b>	Group of people organized for a joint purpose
<b>Billboard</b>	Large outdoor board for displaying adverts
<b>Capital</b>	Wealth as money or other assets owned by a person or organization or available for a purpose, such as starting a company or investing
<b>Cumbersome</b>	Difficult and inefficient
<b>Density</b>	The quantity of mass per unit volume of a substance
<b>Extruder</b>	A machine that shapes a plastic through force
<b>Expertise</b>	The skill of a person who knows a lot about a field or subject
<b>Environment</b>	The surroundings or conditions in which a person, animal, or plant lives or operates.
<b>Fibre</b>	A threadlike material
<b>Flakes</b>	A small, flat, very thin piece of something broken off a larger piece
<b>FMCG</b>	Fast Moving Consumer Goods
<b>Framework</b>	A basic supporting structure for a concept, system or substance, like a building
<b>Furniture</b>	The movable articles that are used to make a room or building suitable for living or working in like chairs, tables or desks

## GLOSSARY OF TERMS

TERM	DESCRIPTION
<b>Household</b>	A house and its occupants regarded as a unit
<b>Initiative</b>	An act to solve a problem
<b>Impurity</b>	Dirt
<b>Logistics</b>	The act of organizing movement or transport
<b>Manpower</b>	The number of people working or available for work
<b>Marketing</b>	To promote and sell products and services
<b>Mentorship</b>	The guidance provided by a mentor
<b>Municipal</b>	Relating to a town or district or its governing body
<b>Negotiation</b>	Talks to agree
<b>Niche</b>	A specialised segment of the market for a particular product or service.
<b>Off-taker</b>	A person who purchases goods within a period
<b>Resources</b>	Assets an organization needs to function effectively
<b>Referral</b>	The act of directing someone to another for help or patronage
<b>Resin</b>	A solid or liquid synthetic organic polymer used as the basis of plastics
<b>Recycle</b>	Convert waste to reusable material
<b>Sachet</b>	A small sealed bag containing a little quantity of something

## GLOSSARY OF TERMS

TERM	DESCRIPTION
<b>Scavenger</b>	A person who searches for and collects discarded items
<b>Shred</b>	To tear or cut material into strips
<b>Spectrum</b>	A range
<b>Startup</b>	A new business
<b>Sort</b>	Arranging items into groups of common features
<b>Target</b>	An aim at which efforts are directed
<b>Technology</b>	Scientific knowledge and equipment produced as a result of it
<b>Ton</b>	A unit of weight equal to 1,000kg
<b>Value chain</b>	A process of activities by which value is created
<b>Volume</b>	The amount or quantity of something

## Detailed Steps to Register with Corporate Affairs Commission (CAC)

You need to register your business name with CAC. Before you adopt a business vehicle e.g. Business Name or Limited Liability, ensure you understand the tax implications and filing requirements for both before you make a selection. To register a business name in Nigeria, take the following steps:

### **STEP 1: Choose and reserve a name**

Decide on what name to use to register your business then visit the Corporate Affairs Commission (CAC) website <https://services.cac.gov.ng/> to conduct a public search in the CAC database to be sure that your intended name is not in use nor is there a similar name existing. If the name is available, click on **New Name Reservation**, fill the necessary column, pay the necessary fee and wait for 24hrs for a response from CAC officials. If successful, ensure to print out the **“Approval note”**. CAC will reserve the name for 60 days. During this period, it is expected that you will complete the registration process for your business.

### **STEP 2: Complete the Business Name Registration Forms**

As with step 1 above, this can also be completed online. The information required to be completed includes:

1. Approved name of the business
2. General nature of the business
3. Address of the business
4. Name, address, occupation and other details of the proprietors of the business
5. Signature of the proprietors

### **STEP 3: Payment of CAC filing fees**

The payment of the fees can be done online or in a bank. The CAC official filing fee for the registration of a business name in Nigeria is N10,000 (Ten Thousand Naira Only). However, where the applicant engages an accredited agent, the agent will also charge a professional fee for the services.

### **STEP 4: Submission of forms**

Once the payment has been approved, you may then submit the forms online, CAC will review your documentation and if all is in order, you will be notified that your application has been approved, and your Business Name Certificate is ready for collection. The entire process should ideally take about 1 to 2 weeks, depending on the workload at the CAC office at the time.

To register a Limited Liability, the steps are a bit different:

### **STEP 1: Choose and reserve a Name**

Same process as above

### **STEP 2: Register the details of the shareholders:**

Under Nigerian law, a private company must have a minimum of 2 members, and can only have a maximum of 50 members. The founding members must not be – under the age of 18 years old (unless at least 2 other members are over the age of 18), of unsound mind, an undischarged bankrupt, or disqualified by CAMA from being a director.

The information that you will need to present includes:

- The name of the shareholders,
- Residential address,
- Occupation,
- Email address and mobile phone number.
- You will also need to provide a recognized identity document e.g., international passport, driver's license, national identity card etc.

### **STEP 3: Prepare the documentation**

The documents required for the registration of a company include:

- Memorandum and Articles of Association
- Notice of registered address of the business
- List, particulars, and consent of the first directors of the company
- Statement of compliance by legal practitioner

Under the new CAC process, individuals can get all the required documentation from the CAC portal. However, please note that concerning the Memorandum of Association and Articles of Association, the CAC portal only provides templates, and therefore if your line of business requires special documentation, you should consider getting these drafted professionally by a lawyer.

### **STEP 4: Payment, submission and pick up**

Once you make the relevant payments online (the amount depends on the share capital of your company), you can upload all the documents to finalize your submission. After submission, the CAC will contact you if there are any queries. If there are no queries, the CAC will inform you once the registration is complete, and then you can go to their office to pick up your certificate of incorporation.

## CREDITS

### FATE Foundation Team

- Adenike Adeyemi – Executive Director, FATE Foundation
- Oluchi Johnson-Achibiri – Digital Product Manager, FATE Foundation
- Akinwunmi Akowonjo – Senior Programs Manager, Learning & Influence, FATE Foundation
- Funmibi Ogunbowale – Associate, MEL
- Olamide Ogunkayode – Digital Media Officer
- Ayomide Ogunleye – Editorial Associate
- Olutola Olukanni – Volunteer Programs Intern
- Eseosa Aikhionbare – Mentoring and Volunteer Program Lead

### Recyclers

- Mazi Ukonu - Chief Executive Officer (CEO), Recycle Point
- Adedapo Onafedeji – Chief Executive Officer (CEO), Kaizen Polymers
- Mariam Lawani – Chief Executive Officer, Greenhill Recycling
- Titilayo Falaiye - Founder, Orange Strategy
- Omo Alokwe – Co-Founder, Street Waste

### Book Design

Wise Conceptz Digital

### Book Editor

Productivity Insights

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