# Plastic Waste Free Islands



**BUSINESS PLAN** 

WASTE-TO-PRODUCT VANUATU

An initiative supported by Norad managed by IUCN and co-implemented by Searious Business



### Mission

### WHAT & WHY

#### What

- A successful business in Furniture and semi-finished products
  - Made from recycled plastic
  - Locally sourced and locally produced

#### Why

- Local business opportunity
  - Reduce Import-dependency
  - Enhance resource recovery options on-island
  - Job creation
- Reduce overfull landfills and high plastic leakage prevalence
  - Improved waste management
  - Lower environmental impact

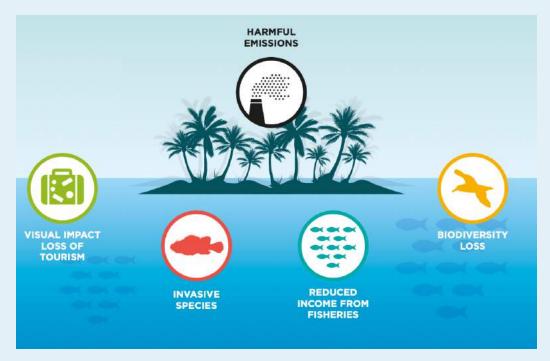




# Why start this business

### PLASTIC WASTE GENERATION & LEAKAGE





	Annual Imports 2018-2019 (T/y)	Total disposed 2019 - landfill (T/y)	Total disposed 2019 – dumpsite (T/y)	Total recycled 2019 (T/y)	Leakage (T/y) (95% credible interval)
PET (1)	868	347	113	0	454 (86-656)
HDPE (2)	686	173	49	0	468 (192-633)
PVC (3)	123	36	18	0	69 (16-107)
LDPE (4)	1106	494	154	0	463 (29-741)
PP (5)	438	129	33	0	296 (133-404)
PS (6)	534	214	27	0	296 (60-427)
Other (7)	1006	209	32	0	799 (439-960)
Overall	4760	1602	426	0	2846 (938-4018)

Financial and environmental impacts of plastic leakage

National plastic waste generation & leakage data Vanuatu with polyolefins in blue. Source: Final quantification report – Executive summary APWC July 2021

### Vanuatu

#### GENERAL STATUS OVERVIEW & SECTORAL DATA

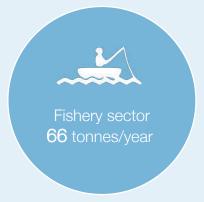
- Prepaid bag collection at source, no segregation at landfill, no local plastics recyclers → landfill, or leakage
  - Large volumes of rigid HDPE, PP and flexible LDPE waste that could be diverted quite easily from landfill
- Recyclers and relevant business partners united in the Vanuatu Recyclers Waste Management Association (VRWMA)
- Key developments:
  - Wan Smol Bag, No plastic bag, plis, Mama's Vanuatu, Pango Green Force and 300 Coconut bag.
  - The Department of Environmental Protection & Conservation (DEPC) is working with SPREP-PAC Waste Plus on exploring W2P solutions
  - Advanced Recovery Fee system policy paper is being developed by VRWMA for recyclables, incl PET and possibly HDPE
  - Vess/Recyclecorp/VRWMA in collaboration with World Vision Vanuatu clean up campaign June 2021
  - RecycleCorp and PWFI PET export trial to Visy, Australia
  - Waste to Product, PWFI











2,026 tonnes plastic waste generated/year

Source: Quantification report, Executive summary, APWC July 2021

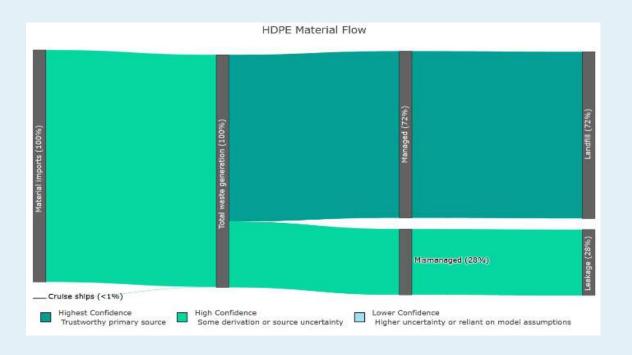
# Targeted material(s)

### HDPE - CURRENT VALUE CHAIN





Class	ltem	House T/y	Commercial T/y	Tourism	Fishing T/y	TOTAL
HDPE 2	beverage containers pvc hdpe	135.8	27.98	No data	0.00	163.8
HDPE 2	home care hdpe	15.2	18.53		0.00	33.7
HDPE 2	beauty and personal care hdpe	35.2	15.59		0.00	50.8
HDPE 2	other hdpe	4.3	14.62		0.00	18.9
HDPE 2	garbage bags single use	7.1	13.77		0.00	20.9
HDPE 2	light shopping plastic bags single use	3.4	2.16		0.37	6.0
HDPE 2	food containers hdpe	24.2	0.00		7.02	31.2
HDPE 2	cleaning agent products hdpe	36.5	0.00		0.00	36.5
HDPE 2	shampoo body wash hdpe	4.0	0.00		0.00	4.0
HDPE 2	laundry detergents bottles hdpe	0.0	0.00		0.00	0.0
						365.8



Source: Quantification report, Final data, All sectors plastics breakdown, APWC July 2021

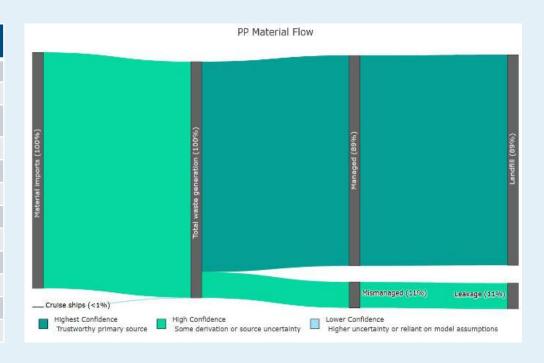
# Targeted material(s)

### PP - CURRENT VALUE CHAIN





Class	Item	House T/y	Commercial T/y	Tourism	Fishing T/y	TOTAL
PP 5	food semi rigid containers e.g. trays PP	5.7	15.50		0.00	21.2
PP 5	glossy shopping bags single use plastics	0.0	8.92		3.88	12.8
PP 5	single use take away food containers PP single use	19.6	7.04		0.46	27.1
PP 5	straws single use	0.6	5.48		0.00	6.1
PP 5	container lids pp	1.0	5.38		0.00	6.4
PP 5	other pp	9.6	2.77		5.22	17.6
PP 5	furniture houseware pp	0.0	0.00		1.87	1.9
PP 5	rope pp	6.2	0.00		1.63	7.8
PP 5	food containers pp	0.0	0.00		0.00	0.0
PP 5	medicine bottles pp	0.0	0.00		0.00	0.0
PP 5	automobile parts pp	30.9	0.00		0.00	30.9
						131.8



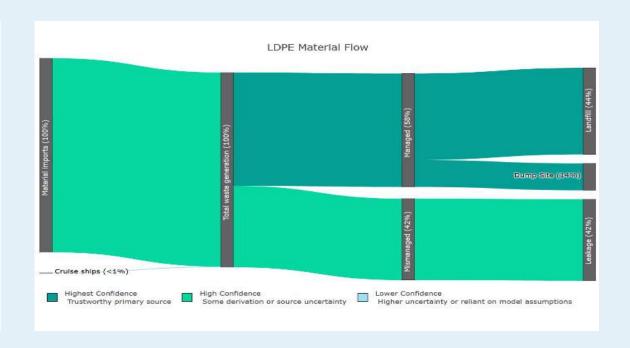
Source: Quantification report, Final data, All sectors plastics breakdown, APWC July 2021

# Targeted material(s)

### LDPE - CURRENT VALUE CHAIN



Class	Item	House T/y	Commercial T/y	Tourism	Fishing T/y	TOTAL
LDPE 4	soft plastic packaging single use plastics	5.4	199.53		0.00	204.9
LDPE 4	other Idpe	9.2	99.76		0.00	108.9
LDPE 4	glossy shopping bags single use plastics	10.3	12.07		0.00	22.4
LDPE 4	food containers ldpe	4.0	9.18		0.00	13.2
						349.5



Source: Quantification report, Final data, All sectors plastics breakdown, APWC July 2021

### Outline Waste to Product

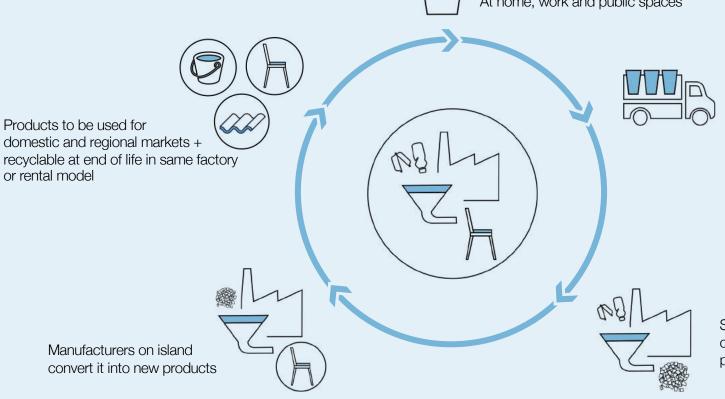




ALTERNATIVE VALUE CHAIN



Source segregation and washing of all plastics –(pre-paid) bag After sorting out PET and focusing on high (at least >80% polyolefins (PE, PP) At home, work and public spaces



Sorting HDPE, PP, mixed plastics at redemption centre Product made from HDPE, PP, mixed

Small scale recycling to convert products into pellet/flakes

# Product concept

### MIXED EXTRUSION PRODUCTS

- Beams, planks, tiles and parts (semi-finished product)
- Public furniture (end product)
- Example Prototype: raised waste platform (end product)
  - Trash tree / trash nest
  - Material: (mixed plastics)
  - Dimensions: L1280 x W1320 x H1545 mm
  - Weight: 43 kg
  - Intended use: public space (central collection points (outdoor)
- Other potential products
  - Lumber/timber, planks, posts
  - Purlin, rubbing styles
  - Street furniture, benches, picnic tables
  - Decking, cladding, siding
  - · Fencing, bollards, palisade, edging
  - · Shed foundation blocks, water side sheeting
  - Bridges, wharfs
  - · Signage, litter bins, planters, raised waste platforms
  - Pergola, dog house
  - · Garden, patio, terrace furniture
  - Exercise equipment
  - Traffic control: Wheel stops, speed humps, and rumble bars







### User scenarios

TRASH TREE



Road-side, private, or



- Modular, repairable
- Produced locally
- Durable: Weather & climate-proof
- Comfortable

# Unique Selling Points

#### SUSTAINABLE & DURABLE



#### Technology

- Producibility: can process flakes directly so no high machine investments needed
- Scalability: Semi-finished products can be stored, and once machines reach their maximum capacity, an extra machine can be added
- Risk & compliance: Quality performance, with health and safety compliant setup

#### Product performance

- Sustainability longer life: material vs wood based sheet
  - Lifespan: 40+ years r-plastic lumber vs 20 years hardwood
- Sustainability: green image local waste converted
- Sustainability: easily repaired / parts replaced / recyclable
  - Recyclable: r-plastic sheets 7x recyclable
- Superior performance: weather proof / termite proof / UV-resistant
- · Convenience: easily cleaned
- Superior Design: high end product/ distinctive design / high quality surface finish

#### Market

- Marketability: Completely circular product
- Marketability: Different furniture for different markets; tourism (i.e. hotels, restaurants), public (schools), private
- Marketability: Locally made vs imported
- Flexibility: Semi-finished products which can be sold directly or made into different end products with existing wood working techniques

# Differentiation from competition

### CHEAP AND HARDWOOD CONSTRUCTION SECTOR





Hardwood lumber / timber



Stilt builds



Public raised waste platform

- More durable and longer lasting than wooden alternatives
- Easy repair with local service and parts from producer
- Added sustainable image value



Street furniture



Fencing



Private raised waste platform



# Concept Description

#### MIXED PLASTIC EXTRUSION BASED



- Machines: shredder and/or agglomerator, extruder, press + molds, intrusion moulds
- Woodworking equipment: Saw table / crosscut saw, mill, hand tools.
- Types of plastic converted:
  - · High end product: HDPE sorted & washed
  - Lower end product: Mixed unwashed plastics with >70% PE/PP
- Amount of plastics used: e.g. 8.53 kg per 40x80x2800 beam, or 4.59 kg per 18x130x2800mm HDPE plank, or 65 kg per Trash Nest
- Source of input materials: Collection of HDPE, PP, LDPE or all mixed plastics
  - through (pre-paid) bag with all plastics collection and after sorting
  - Island wide stimulation through Advanced Recovery Fee scheme / Container deposit Legislation (CDL)
- Impact: up to 150t/y = 18% of total PE, PP stream, 7.32% of total plastic generated

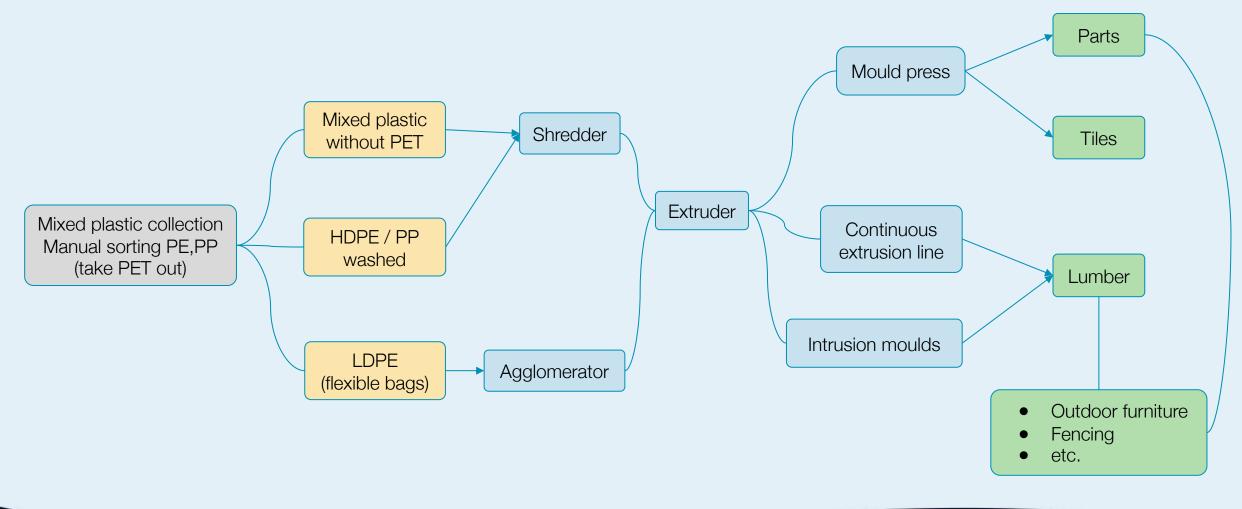




### Extrusion based

RECYCLING PROCESS





# Machinery

Machines	USD 49.000	
Shredder, 5 kW	USD 5.000	
Optional: shredder with washer		At a capacity of 250 kg/h 80kW is needed and will cost around 30.000 USD
Agglomerator	USD 5.000	
Extruder, 35 kW	USD 15.000	Spare parts like heating element and screw removal tool included
Intrusion moulds, on cart system	USD 10.000	
Press, 3 kW	USD 7.000	
Two moulds	USD 7.500	Mould costs are estimated because they depend on product design, and related production method (mill/laser/waterjet)
Optional: For 220V3P or 440V3P there will be extra costs (estimate) USD 2.00		Standard voltage of the machines is 380V, 50 or 60Hz.
Shipping (CIF) estimate	USD 14.000	Shipping cost are hard to predict due to fluctuations from china. Shipping costs of moulds not included; depends on local or remote production
Support at distance by Technical partner (3 years)	USD 10.000	
Detailed machine specification		
Support RFQ process		
Verification Factory acceptance test (FAT)		
Mould drawings		
Remote support for setting up facilities incl. unpacking and installing equipment		
Remote training and support machines start up		
Provide manuals, maintenance and user instructions		
Support on input mix and additives		
Total	USD 73.500	







Modular production hall layout example

### Selection factors

### TECHNIQUE AND PRODUCT



### **Impact**

- (semi-) Industrial set-up and machinery to
  - Convert enough plastic to keep from landfill and (ocean) leakage
  - Get quality output that can compete with existing products
  - Create durable business
  - Create local employment



#### Flexibility

- Create different (mix of) semi-finished and end-products
- Create output material for different markets
- Enable sector-specific contribution to reduce waste
- Enable to convert different plastics







#### **Viability**

- Durable business plan / calculation
- Fitting the volumes on the island
- Ready for investors to step in
- Scalable: capacity aim is 150 tonnes / year

#### Complementarity to existing initiatives



- Utilizing local recycler's machinery, if compatible
- Tailor-made for local situation and market

# Technology comparison



### MATRIX

									PW	FI - W	ASTE	TO P	RODU	JCT -	TECH	NOLC	GY C	OMP	ARISO	N																
Categories	Weighing factor	Sheet	press				Intru	sion				Mixed	d extru	usion +	mould	ling	Moul	d melti	ng			Roto	mould	ing			mixed	d extr	usion a	dditive	S	Inject	tion mo	oulding		
Processing capacity  What volume of plastic can be converted (connect to volume on the island) small: < 20 tonnes / year Aim: medium: 20-500 tonnes / year large: > 500 tonnes / year In general the better the fit, high the score	3	*	*	*	•	•	*	*	*	*	*	*	*	*	*	*	*	•	•	•	•	*	*	*	•	•	*	*	*	*	•	*	*	*	•	
Marketability     Can the product compete with other products?     Will it replace a product for the better?	2	*	*	*	•	•	*	*	*	*	•	*	*	*	*	•	*	*	•	•	•	*	*	*	*	•	*	*	*	*	•	*	*	*	*	•
Costs Investment to set up machinery Energy consumption in use Expected revenue	2	*	*	*	•	•	*	*	*	•	•	*	*	*	•	•	*	*	*	*	•	*	•	•	•	•	*	•	•	•	•	*	•	•	•	(
Environmental safety during / after use  Non-toxic risk during production  No leakage (microplastics)  Recyclable at EOL	2	*	*	*	*	•	*	*	*	•	•	*	*	*	•	•	*	*	*	•	•	*	*	*	•	•	*	*	•	•	•	*	*	*	*	10
Ease of implementation  Preparation of the input material  less sorting  less influence of contamination  Complete and ready setup of the machinery  Low skill and easy learning	1	*	*	*	*	•	*	*	*	*	•	*	*	*	•	•	*	*	*	•	•	*	•	•	•	•	*	•	•	•	•	*	•	•	•	(0
Product value Product with long life-span A high value end-product	1	*	*	*	*	•	*	*	*	*	•	*	*	*	*	•	*	*	*	*	•	*	*	*	*	•	*	*	•	•	•	*	*	*	•	
Overall score		*	*	*	1	₩	*	*	*	*	☆	*	*	*	*	☆	*	*	1/2	₩	☆	*	*	*	₩.	₩.	*	*	*	\$	☆	*	*	*	☆	7

This is a general comparison example used for the technology selection - Island specific factors are of influence for the end choice

# Market Analysis

#### HOSPITTAL ITY



#### Primary market

- Tourism Hospitality Outdoor furniture and Construction, i.e. dinner chairs, fencing, plastic lumber
- Public works, Infrastructure + construction: governmental, public furniture, e.g. park bench, picnic table, signage, fencing

#### Secondary markets

- B2C: High-end consumer design furniture has similar product characteristics and demands (overlap villas and apartments)
- B2B: semi-finished products, i.e. Timber, lumber, Sheets for furniture makers. i.e. countertop
- Public: governmental, school furniture

#### Market size Public furniture

30+ Hotels, resorts and accommodations of different class  $\pm 1500$  rooms

#### Estimated annual expenditure on furniture

 USD 105,000 (1500 rooms and accommodations with a average spending of \$70/year/room on outdoor furniture)

### Global expected CAGR (Compound Annual Growth Rate) tourism after Covid-pandemic

• 3.1% (2021-2026)

#### Longer term market fundamentals

- Shorter supply chains decrease need for imports
- Less pressure on landfill

#### **Demand-drivers**

- Showing green/sustainable focus
- Longer lasting alternatives
- Locally produced

# Market Analysis

#### HOSPITALITY



- Durable furniture
- Easy to maintain / high quality
- Indoors and outdoors application
- Sustainable/green
- High end design

#### Buying patterns

 current yearly renew due to poor quality and extreme weather conditions (market research)

#### Locations of potential customers

Mostly coastal area



#### Specify domestic vs export markets

- Domestic: Local distribution network (stores, DIY markets, furniture makers)
- Export potential:
  - Caribbean region with the option of expending for processing waste locally

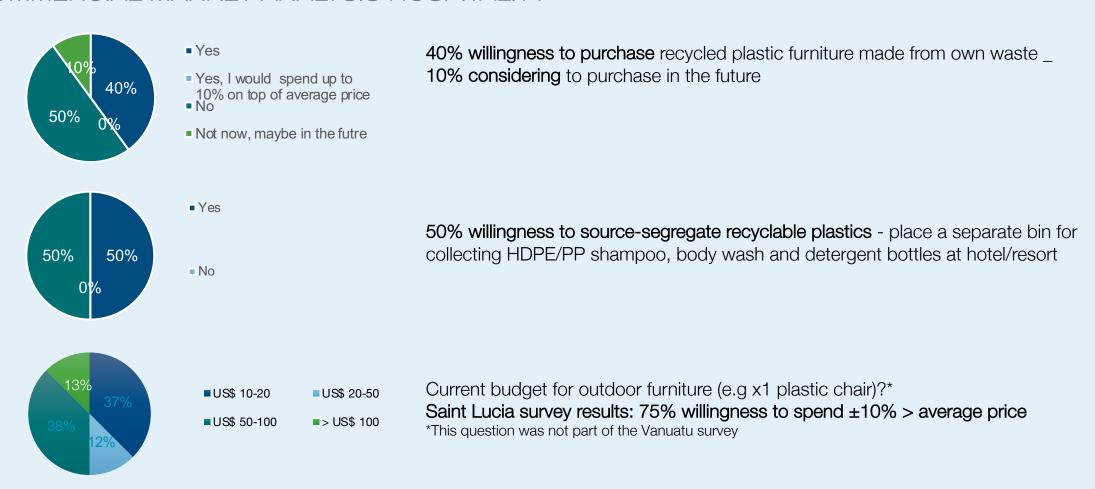
#### Launching customers:

- Accommodations who collect material themselves
- Governmental bodies

### Business drivers



#### COMMERCIAL MARKET ANALYSIS HOSPITALITY



### Business drivers

### INDUSTRY SUPPORT - INNOVATION AWARDS

rHDPE dining chair made from Caribbean plastic waste streams:

shortlisted for the prestigious Plastics Recycling Awards Europe 2021

- Household and Leisure products category









# Market introduction plan





#### FROM FUNCTIONAL PROTOTYPE TO MARKET INTRODUCTION

#### Timeline for key milestones of product development

#### PHASE 1- has been completed

- Extrusion testing
- Feedstock preparations
- Product interest inventory
- Design concept for products
- Engineering
- Prototyping
  - · assembly testing
  - · impression and use testing
- Improving based on feedback

#### PHASE 2

• Securing finances; procurement of machinery; staff recruitment

#### PHASE 3

- Production testing
- · Production procedures development
- Packaging development
- Commercial production based on staged approach

### Engagement & Sales

- Sales approach
  - Personal sales contact
  - Online order and service website
- Sales channels
  - Sales person
  - Web shop
  - Furniture stores
  - Do-It-Yourself stores
  - Workshop showroom/store
- Engagement (communication with target groups)
  - Sales person
  - Website
  - Showroom
  - Exhibition

# Operations

### KEY RESOURCES, ACTIVITIES, PEOPLE



- Shredder
- Optional agglomerator if collection is expanded for flexibles processing
- Extruder
- Intrusion moulds
- Press + press moulds
- CNC mill
- Woodworking tools
- Pick up truck

#### Space & Permits

- 20 sqm stock
- 50 sqm production
- 20 sgm wood workshop

#### Key Tasks /activities

- Feedstock preparation
  - Collection
  - Washing
  - Shredding / agglomeration
- Production
  - Extrusion + intrusion + press moulding
  - Machine maintenance
- End product making
  - Cutting
  - Edge routing
  - CNC milling
  - Finishing
  - Packing
  - Servicing and repairs
- Sales and Distribution
  - Sales contact
  - Transportation: pick up and delivery





#### People

- Personnel: 7.5 up to 10 FTE
  - Sales person
  - Technician
  - Admin + online
  - Collection & Distribution Transport
- Collaborators
  - Retailers, stores
  - Tourism sector
  - Government
  - IUCN/Searious Business

#### Running costs

- Space rent
- Electricity, water
- Staff costs
- Transport

### SUMMARY AND SALES OVERVIEW



Summary	
Starting capital	180,898.91
Months to Pay Back Investment	31
Full Time Employees Needed	7.5
Revenue Earned Per Month	30,655.00
Fixed Costs Per Month	1,560.00
Material Costs Per Month	17,639.83
Total Wages Paid Per Month	5,362.08
Total Profit Earned Per Month	6,093.09

Sales Overview										
Products & Services	Selling Price Per Unit	Number of Expected Sales Per Month	Total Product Cost	Profit Margin						
50 kgs of Medium Shredded Plastic	0.00	166.7	12.90	-100.00%						
mixed Beam 2800 x 40 x 80 mm	16.00	300.0	14.44	10.79%						
mixed Plank 2800 x 28 x 130 mm	17.90	180.0	16.10	11.15%						
Pavement tile	10.60	460.0	9.49	11.74%						
wide HDPE plank 2800 x 18 x 130 mm	14.80	180.0	13.13	12.68%						
narrow HDPE plank 2800 x 18 x 65 mm	10.10	90.0	8.91	13.32%						
Bench parts	0.00	12.0	34.32	-100.00%						
Park bench	162.00	12.0	89.53	80.94%						
Trash nest	233.00	30.0	128.56	81.24%						
Lounge chair	50.00	30.0	27.21	83.76%						
Side table / foot bench	32.00	15.0	17.58	82.05%						
Dining chair	37.00	60.0	20.46	80.88%						
Dining table	70.00	15.0	38.47	81.97%						



CASH FLOW

#### Cash Flow

A cash flow analysis shows that you have enough money throughout your first year to buy materials, pay your employees, or make an investment into a new machine.

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Money In Bank (Beginning of Month)	180,898.91	32,249.89	39,937.87	47,625.85	55,313.84	63,001.82	70,689.80	78,377.78	86,065.76	93,753.74	101,441.73	109,129.71
Initial Investment	180,898.91											
Revenue	30,655.00	30,655.00	30,655.00	30,655.00	30,655.00	30,655.00	30,655.00	30,655.00	30,655.00	30,655.00	30,655.00	30,655.00
Total Cash In	211,553.91	30,655.00	30,655.00	30,655.00	30,655.00	30,655.00	30,655.00	30,655.00	30,655.00	30,655.00	30,655.00	30,655.00
Investment Costs	(156,337.00)											
Variable Costs	(21,407.02)	(21,407.02)	(21,407.02)	(21,407.02)	(21,407.02)	(21,407.02)	(21,407.02)	(21,407.02)	(21,407.02)	(21,407.02)	(21,407.02)	(21,407.02)
Fixed Costs	(1,560.00)	(1,560.00)	(1,560.00)	(1,560.00)	(1,560.00)	(1,560.00)	(1,560.00)	(1,560.00)	(1,560.00)	(1,560.00)	(1,560.00)	(1,560.00)
Total Cash Out	(179,304.02)	(22,967.02)	(22,967.02)	(22,967.02)	(22,967.02)	(22,967.02)	(22,967.02)	(22,967.02)	(22,967.02)	(22,967.02)	(22,967.02)	(22,967.02)
Net Cashflow	32,249.89	7,687.98	7,687.98	7,687.98	7,687.98	7,687.98	7,687.98	7,687.98	7,687.98	7,687.98	7,687.98	7,687.98
Money In Bank (End of Month)	32,249.89	39,937.87	47,625.85	55,313.84	63.001.82	70,689.80	78,377.78	86.065.76	93,753.74	101,441.73	109,129.71	116,817.69

PROFIT, LOSS



This table is to show how much money the company is projected to make each year. It assumes that you paid yourself for the hours you worked, so the "Net Income" at the bottom is the remaining profit made by your company. It is greatly influenced by the "Monthly Sales Improvement Rate" on the Dashboard page. This table is also useful to show your bank or include in grant applications.

	Year 1	Year 2	Year 3
Revenue	367,860.00	404,646.00	445,110.60
Cost of Sales	256,884.22	282,572.64	310,829.91
Net Revenue	110,975.78	122,073.36	134,280.69
Fixed Costs	18,720.00	18,720.00	18,720.00
Gross Income from Operations	92,255.78	103,353.36	115,560.69
Business Taxes	0.00	0.00	0.00
Net Income	92,255.78	103,353.36	115,560.69





Yearly Growth Rate

10%

(conservative scenario)

**Business Tax Rate** 

0%

**FUNDING & ROI** 

Norad Tuch Servicus BUSINESS

Starting capital: US \$ 180,899

ROI 31 months

Mostly machines and personnel

### PAYBACK ANALYSIS



#### **FUNDING PLAN**

- Private money
- (Development) Bank loans: de-risking partner, e.g. offering loan guarantees) Incl. ADB, IFC, CEB
- Investors/business accelerators ((pre)-seed, angel investment, early stage)
  - Blue Bio Value
  - Blue Natural Capital Finance Facility
  - Ennovent
  - For Good Venture
  - SAGANA
  - Sky ocean ventures
- (Governmental) grants
  - Development Cooperation partners, incl. UK, Norway, Italy, US, Germany, Swiss, France, China, Japan,
  - UNDP Innovation Fund
  - World Bank ProBlue. NGOs could become a third party within a governmental program
  - IUCN
  - WWF





- Alliance to End Plastic Waste
- Ocean Foundation
- Plastic Solutions Fund
- Bill & Melinda Gates Foundation
- Minderoo, no 'Plastic Waste'-programme
- Australian National Product Stewardship fund
- Commonwealth Clean Ocean Alliance
- Dow Business Impact Fund
- Handelens Miljofond
- Plastics Solutions Fund
- Gallifrey foundation
- Oak Foundation
- PRIMAT (Didier and Martine Primat Foundation)
- The Fondation SUEZ
- Waitt Foundation
- For Good Foundation
- Onepercentfortheplanet

## Factsheet

# Norad (iuch



### BENEFITS

Financial benefits	Environmental benefits	Social benefits
ROI – 31 months	Lower landfill pressure for government: 150 tonnes / year or 18% of PE/PPwaste diverted from landfill/dumping sites	Develop recycling market - Create more jobs in island in collection, sorting, cleaning, recycling – up to 11 FTE when converting 8% of all plastic waste generated
Better license to operate for construction and furniture market. And allows for green/circular public procurement	Approx. 164.7 tonnes of CO2 emissions saved by redirecting plastic waste into products	Contribution to cleaner island and attractiveness for local population and visitors
Customer loyalty for producers	Reduced amount of plastic waste that might leak into the environment. 150 tonnes / year diverted from potential leakage	
Lower waste disposal and clean-up costs for government: Approx. savings VUV 1,082,829		

# Plastic Waste Free Islands Let's catch the circular wave together









**IUCN Plastics** 



plastics@iucn.org



https://www.iucn.org/theme/marine-and-polar/our-work/close-plastic-tap-programme



#ClosethePlasticTap



SeariousBusiness



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#### Plastic Waste Free Islands

An initiative supported by Norad, managed by IUCN and co-implemented by Searious Business