

Taka Taka Solutions - Waste Collection in Kenya with Daniel Paffenholz

Key Learnings



Market Fragmentation and Informality Hinder Scalability

The waste management sector in Kenya is highly decentralised. The Nairobi area produces over 4,000 tonnes of waste daily, yet the largest single operator collects just 90 tonnes, illustrating a market served by hundreds of small companies. A significant challenge is the absence of municipal contracts, requiring operators to secure each commercial and residential client individually. Competition is intensified by weak regulation enforcement, which allows informal competitors who avoid taxes and use low-cost illegal dumping to undercut compliant businesses.

Vertical Integration Maximises Recovery from Complex Waste Streams

Taka Taka employs a vertically integrated model to extract value from waste. It begins with collection services in key urban areas. The waste is then sorted at a material recovery facility, achieving a recovery rate above 80%, aided by the high organic content of the local waste stream. The company focuses on processing two key fractions itself: organic waste, which is composted, and problematic plastics like flexible packaging, which are recycled into pellets. To supplement its supply, the company operates a network of buyback centres that purchase pre-sorted materials from waste pickers.

Competitive Pressures Demand a Strategic Shift to Value Addition

While Kenya's regulatory direction is positive, practical implementation often lags. The recent mandate for Extended Producer Responsibility holds potential to provide crucial financial support but has yet to be fully realised. For future growth, scaling the collection business remains constrained by the market structure. Therefore, the primary growth opportunity lies in the strategic move into plastic compounding, focusing on creating valuable products for the local market rather than geographical expansion.

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