# Guideline for "MICHINOEKI" in Mozambique

Version 1.0



Prepared by JICA Study Team, November, 2007

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# Introduction

# Outline & Objectives of MICHINOEKI

"MICHINOEKI" can be defined as a multi-functional road side facility for both drivers and rural communities. Whereas, for the drivers, it offers rest and refreshment spaces, for rural communities, it provides income generation opportunity by offering the open market space, which would encourages rural economy as well as social activities though the participation of rural people in not only the planning but also the operating of MICHINOEKI. This concept was originated in Japan and 858 of MICHINOEKIs have been already operated in Japan since 1993, and this concepts and experience are introduced in many countries.

During the Feasibility Study stage of "Nampula - Cuamba (Nacala Corridor) Road Improvement Project", MICHINOEKI had discussed as one of the most effective & practical regional development component for rural communities along the Study Road.

This "Guideline of MICHINOEKI" is summarized for future full-scale operation of MICHINOEKI, describing how to make a plan, proceed to institutional arrangement and construction, executing operation and management in the Mozambique context, from the experience of pilot project conducted in Anchilo post, Nampula District in the Study

Narrative summary of the MICHINOEKI pilot project is shown in Table 1.

Over Goal	The MICHINOEKI Project is included into the Regional Development Program as an additional component to the road upgrading project from Nampula to Cuamba					
Project Purpose	The MICHINOEKIs a multi-functional facility aimed for drivers to offer rest facility and to provide income generating opportunities (markets) for the local population thereby improving their quality of life					
Outputs	<ul> <li>For Rural Farmers and Local Population</li> <li>Provision of income generating opportunities</li> <li>Dissemination of information for improving the quality of life through various events</li> <li>Promotion and sales of bicycles to rural people at affordable prices</li> <li>For Drivers</li> <li>Provision of rest area/facilities</li> <li>For the future operation of the MICHINOEKI</li> <li>Establishment of a system/methodology for the installation of the MICHINOEKI</li> <li>Establishment of organizational and operational procedures of the MICHINOEKI</li> </ul>					
Activities	<ul> <li>1-1 Construction of outdoor market</li> <li>1-2 Establishment of tenant operational organization for sales of rural goods by rural farmers</li> <li>2-1 Execution of Traffic Safety Campaign</li> <li>2-2 Installation and operation of public telephone</li> <li>3-1 Transportation and collection of second hand Bicycles from Japan</li> <li>3-2 Promotion and sale of Japanese Bicycles at affordable price</li> <li>4-1 Construction of Parking Area</li> <li>4-2 Construction of Rest Facilities including sales of food and snacks</li> <li>5-1 Clarification of the approval process necessary for construction and operation of MICHINOEKI5</li> <li>5-2 Clarification of the required items and specifications for construction of the MICHINOEKI</li> <li>6-1 Staff for acquiring operational and management skills</li> </ul>					

# Table1. Narrative Summary of MICHINOEKI

# Functions of MICHINOEKI

For achieving the original objectives of MICHINOEKI mentioned before, MICHINOEKI ishould have three (3) functions, in the Mozambique context another one (1) function should be added.

Table2.	<b>Functions</b>	of MICHINOEKI
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1. Income Generation	Open market system enables farmers to earn their income by selling their agricultural and rural products.
2. Information Dissemination (Event Execution)	Using the Open Space, public information/events can be disseminated to rural people for improving standards of life (ex. Traffic Safety, HIV/AIDS, Educational training)
3. Provision of Rest Space and Facility for Drivers	Parking area, public toilet and rest space can be useful for drivers for their rest and refreshment, especially long distance drivers.
4. Bicycle Usage Promotion	This enables the rural population to not only improve their mobility in rural area, but also to utilize for "Seed Money" from their sales as the operation and investment money of MICHINOEKI at the beginning stage. These were donated from City of Japan.

Facilities described below are required for fulfilling these functions and arranged as package in MICHINOEKI.



# Figure 1. Functions and Facilities : Packaging of Facilities in a MICHINOEKI

#### Introduction of Japanese MICHINOEKI

In Japan, road stations (MICHINOEKI) provide a good example of community-based development conducted by local communities with governmental support.



Road stations (MICHINOEKI) have been established along general roads by the agency responsible for maintenance and administration of the roads in Japan (the Ministry of Land, Infrastructure and Transport, or MLIT), as well by local governments. A michinoeki can be a space for rest, providing information and provide a base for revitalizing local communities. Many MICHINOEKI have restrooms, car parks and markets selling local goods. They also serve as sources of information about local culture, history, and products. Moreover, the MICHINOEKI concept involves the participation of local communities in the planning and management of these facilities, providing important benefits to local industries. Source: What is a Road Station – Michinoeki-? JICA-NET

#### **History of Japanese MICHINOEKI**

#### Source: What is a Road Station – Michinoeki-? JICA-NET

A trial of the MICHINOEKI concept was first conducted in 1991, involving a facility selling local products next to the road, and from this trial positive effects for both the local economy and community were noted. In 1993, the MLIT announced the establishment of guidelines for MICHINOEKI, and 103 MICHINOEKI were built around the country. As of March 2007, there were 858 MICHINOEKI. The unique character of the MICHINOEKI concept has helped to revitalize local communities and has created connections between local residents and michinoeki users from other areas.

#### **MICHINOEKI: Forest Kimita**

"Forest Kimita", which opened in October 1997, is a MICHINOEKI equipped with a direct sales market and hot spring resort facilities, managed by a third sector group invested in by local residents.



Drawing on the natural environment, which presents a new face with each season, and events based on traditional arts as resources for tourism and exchange, "Forest Kimita" was established as a center for regional revitalization. Bustling with users throughout the year, it has also become an economically important site for the area.

#### [Development Objectives]

- A place for promotion of interaction between regions
- A place for refreshing the body and mind
- A place for interaction, creating bonds between villagers and urban dwellers
- A place providing work opportunities for everyone from young people to middle-aged and older people
- A place for promotion of local industry such as agriculture and forestry

#### [Facility Outline]

"Forest Kimita" is a multi-purpose facility, centered around "Mori no Izumi", a hot spring facility, and encompassing: "Fureai-kan", a specialty retail store; a restaurant; and "Shiki no le Cottage", a lodging facility. A do-it-yourself food processing facility and multi-purpose meeting space are also available, creating a MICHINOEKI where interaction is possible among people through food, nature and culture.

#### **MICHINOEKI: Uchiko Fresh Park Karari**

"Uchiko Fresh Park Karari" was started with the "Uchi no Ko Market", a direct sales venue for regional specialties, opened mainly by women who were seeking a new challenge in a conservative environment dominated by farmers and the farming community. At present, the numbers of visitors is rising, and excluding the information center department, each department is administrated and operated by local residents.



#### [Development Objectives]

- Stabilization of the local agricultural economy
- Improvement of the image of Uchiko's agricultural produce
- Creation of agriculture-related businesses

#### **MICHINOEKI:** Futami

"Futami" is a unique MICHINOEKI brimming with ideas. One of the facilities, the "Sunset Museum", has drawn attention from a variety of spheres as Japan's first museum based on the theme of sunsets.





# PART 1 Planning & Design

In this part, it is discussed how to plan and design MICHINOEKI. The figure below indicates the procedure of its planning and design.



# Site Selection

The location of MICHINOEKI shall be selected with the following criteria.

Table3.	Criteria	for	Site	Selection	of	<b>MICHINOEKI</b>
Tables.	Onteria		Onc	OCICCUOT		

1. Easiness of Land Acquisition	<ul> <li>In general, the land acquisition for public facilities can be easily executed.</li> <li>However, the land tenant should be confirmed before site selection.</li> <li>Administrative Land (District, Post)</li> <li>Owned by National Agency (Agricultural Land/ Reservation Area)</li> <li>Owned by Private Company and Individual</li> <li>Residential (Built-up) Area</li> <li>The compensation for fruits and productive trees are required to pay to owner of such valuables.</li> </ul>
2. Availability of Electricity & Water Sources	<ul> <li>It is necessary to find power line of electricity near the candidate location because of high Installation costs for electricity facility. If there is not available, generator or Solar power facilities should be considered.</li> <li>For the provision of clean and all-seasonal water, it should be confirmed its availability by carefully searching water sources near/within the site.</li> </ul>
3. Availability of Agricultural Products & Farmers' Associations	<ul> <li>Local products, especially agricultural and craft goods should be seeked whether it can be sold in MICHINOEKI.</li> <li>The availability of the local ownership and capacity for MICHINOEKI operation should be consulted carefully. If there is a farmers' association, it can be utilized as an operation unit organization.</li> </ul>
4. Intervals between MICHINOEKIs Approx. 50km (1hr.Driving)	<ul> <li>In the viewpoint of drivers' rest, intervals of MICHINOEKI shall be installed every approx. 50km equivalent to 1 hour driving (Most of the alerting system for lack of fuel can drive 50 km because of about 10L fuel still remained).</li> </ul>
5. Difficulties of Site Preparation (Constructivity)	<ul> <li>It easily reflects to the construction cost, so that the level difference between the candidate location and road surfaces should be confirmed carefully, which requires land reclamation</li> <li>It should be avoided to use the location in the curve or steep slope sections because of unsafe situation for entering.</li> </ul>

Using the above criteria, the location of MICHINOEKI should be carefully selected with a staffs/engineers of each District/Post administrative office.

The location of MICHINOEKI can be categorized into two types. Taking into consideration these merits and demerits for both types, the location should be selected.



Table4. Suitable Location of MICHINOEKI

The following are examples for site survey for identification of location.



# Location Map

should be described the relationship between;

- Post / District Administration Office
- Transport Mode (Railway Station, Bus Station)

etc.

Existing MarketAgricultural Field,

# Details Layout

- Size
- 50 x 100m ~ 100 x 200m
- Electricity Line
- Site Conditions, Characteristics & Constrains

# Photos

Confirmation Status

# Necessary Facilities and its Planning

Facilities required in MICHINOEKI are listed below. The process of facility planning comprises i) Determining the facility sizes, ii) Layout planning and iii) Detailed design for each facility, according to the predicted demands and sets of constrains such as available area / budget.

1. Parking Area	1. The number of Parking Lots for each vehicle type		
	2. Layout of Parking Area		
2. Outdoor Market	1. Size of Outdoor Market		
	2. Required Elements/Specification for Outdoor Market		
3. Indoor Market/Shop	1. Size of Indoor Market		
	2. Required Elements/Specification for Indoor Markets		
4. Public Toilet & Sanitation	1. Number of Toilet Equipment		
	2. Methods of Sanitation Treatment		
5. Portable & Service Water Facility	1. Type of Water Sources (Well)		
	2. Types of Water Distribution		
6. Electrical Power Installation	1. Demand of Electrical Power		
	2. Method of Electrical Power Supply		
7. Restaurant / Take Away Shop	Size of Restaurant		
8. Community/Public Phone	Required Specifications		
9. Rest Space / Terrace	Size of Spaces		
10. Motel, Sleeping Space	Required Specifications		
Bicycle Promotion Centre	Procedure / Transportation		

### Table5. Necessary Facilities in MICHINOEKI, Points to be considered for selection

Depend on the construction budget and requests from local communities, road users and administrative office, Gas Station, Training Facilities, Meeting Halls, Medical Care Facilities and Public Service Facilities can be possible to install in MICHINOEKI. Therefore, even it is difficult to install them at the beginning, it is recommendable to keep the possibil spaces for them in future.

After determination of each facility size, facilities are arranged in a "Block Layout" with the consideration of safety and smoothness for users and vehicles. Furthermore, it is required to follow the institutional requirements that only Parking and Public Toilet can be installed within 30m of right of way of the road named the "Road Reserve Area (RRA)", the other community facilities and area should be installed at out of RRA.

It is recommended to apply the barrier-free concept or the disabled in the detailed design of facilities and equipment.

1. Parking Area .....

Parking Area shall be estimated with the following steps.

Talala	En thus a the se	Duesed	£	Dealtheast	A	(Deul-laser	Lata		(Deul-teen)
lapieb.	Estimation	Procedure	τοι	Parking	Area	(Parking	LOIS,	Area c	or Parking)

Procedure	Note	Passenger car & Minibus	Truck and Trailer
1. Estimation of Traffic Volume	vehicle/day		
2. Peak Ratio	maximum volume at peak hour (Base Rate = 15%)	(x 0.15)	(x 0.15)
3. Assumed Rate of Visit	one out of every 10 cars will stop at the station ( = 0.10)	(x 0.10)	(x 0.10)
4. Assumed Average Parking Duration	Base time = 0.5hr. Well equipped restaurants & markets = 1.0hr.	(x 0.50)	(x 0.50)
5. Necessary Number of Parking	Multiply 1. to 4. at each vehicle type	(Lots)	(Lots)
Lots			(Lots)
6. Area of Parking	Coefficient of Area / Lots = 50~60m <sup>2</sup>	(x 50~60)	(m²)
7. Site Area	Coefficient of Site Area = 2.0 (Compact) ~ 5.0 (Genius)	(x 2.0~5.0)	(m²)

Layout of the parking lot is determined with the following technical standards.



#### 2. Outdoor Market .....

Outdoor Market provides the opportunities for direct sales of local products to road user. This market should be faced to the parking lots and properly displayed for attracting customers.

In the facility design, it should be considered various dimensions needed shown in the right figure. The warehouse should be prepared within the



market to keep the agricultural products during the night and a period to sales.

#### 3. Indoor Market .....

Indoor market provides the cold drinks and snacks for drivers, as well as daily goods for neighbors. It also provides the spaces for rest and meetings. General item is described as bellow.



### Table7. Main Items to be installed into the Indoor Market

✓	Sales Counter (Cash Box)	Enough space for cashing, recording and storing of cash box
✓	Shelf for Sales Goods	As its demands / price tag should be displayed
✓	Refrigerator / Freezer	Refrigerator can be borrowed from Coca-cola company at free of charge in the conditions of exclusive use for Coca-cola products
✓	Electric Fan / Air Conditioner	Necessity of ventilation, comfortable for customer
✓	Table & Chair	As its demands
✓	Audio System	As its demands
✓	Information Board	Road Map, Message Board, Road Information, Announcement for events
 ✓	Community Phone	"One Cell" is effective tool for improvement of rural people's communication

In designing of the indoor market, required area of the market will be determined with each item's size within available budget and are of land. Warehouse should be prepared for storage of sales goods with security (Container for bicycle promotion can be used for this purpose). The figure in the next page shows some of the unit size for each action and movement.



4. Public Toilet & Sanitation

The number of public toilet equipment can be estimated with the following standards.

Number of Darking Lat		Recommended Area		
Number of Parking Lot	Male (Urinals)	Male (Stalls)	Female	(m <sup>2</sup> )
101 or more	20	7	27	320
71 ~ 100	15	5	20	240
46 ~ 70	10	3	13	160
20 ~ 45	5	2	7	90
Less than 20	2	1	2	45

### Table8. Standards for Public Toilet Installation

Sewage disposal system should be followed with the local government's regulations. A combined collection treatment with anaerobic 3 independent tank system is a popular method of a septic tank. At the terminal, a seepage pit (dry well) is installed.

Note that the location of pit and well for water supply should be separated with a distance regulated by local government.



Septic Tank and Seepage Pit



Septic Tank

Seepage Pit

### 5. Portable & Service Water Facility .....

Water shall be supplied from a deep well. In order to keep the required quality and quantity of water, the boring should be executed at 35 ~ 40m level, and its quality of water should be tested after pumping up.

There are two types of the water distribution system. One is a "Lift pomp with pressure pomp distribution system", the other is a "Lift pomp with elevation tank distribution system". The selection of the system depends on the capacity of spring water and availability of electricity power level.



Lift Pomp for Well

#### 6. Electrical Power Installation

Supply voltage shall be decided according to the condition of power distribution around the site. When a high voltage line is required for MICHINOEKI it is necessary to discuss with EDM (Electricidade de Mozambique) on the matter of electrical power installation planning.

Required electrical load is calculated by requirement of each electrical facility described below. In order to install electricity, a contractor must submit the electrical project application report to EDM.

**Mechanical Power Load** Water Pomp, Air Conditioner, Refrigerator / Freezer **Lightning Power Load** 

Indoor Market, Outside Security Light

#### 7. Restaurant / Take Away Shop .....

It is recommended that a restaurant or take away shops shall be installed in MICHINOEKI for the drivers. These can became profitable activities when mini-bus and long distance bus stop are located in MICHINOEKI. For the reference, the following procedures show an estimation method of the number of customer for restaurant. Take- away shops providing local foods make MICHINOEKI more attractive for drivers.



#### 8. Community Phone .....

One of the biggest problems among rural communities is a lack of communication tool to the outside (They normally depend on the radio broadcast system). MICHINOEKI has a possibility to these problems improve by installation of public phones at MICHINOEKI. There are some private telephone companies to provide the public phone system with lower installation costs. It should be taken into consideration.



It has been installed at MICHINOEKI Anchilo. More than 10 rural people are daily using this community phone.



### 9. Rest Space / Terrace .....

Rest Space shall be designed corresponding to the number of parking lots with consideration of connectivety to indoor market. Note that it should be comfortable and safety space by providing shade and table and chair sets.

#### Table9. Standards Size for Rest Space / Terrace

Number of Parking Lot	Nos. of Seat	Recommended Area (m <sup>2</sup> )
251 or more	80	250
201 ~ 250	60	210
151 ~ 200	60	210
101 ~ 150	40	170
Less than 100	30	140





10. Motel, Sleeping Space .....

One of the findings from the pilot study in Anchilo is that accommodation facilities are requested by long distance drivers such as trailer to stay at night. Bed room, shower room and snacks vending area for 24 hours should be considered as components of MICHINOEKI. Note that security measures should be provided in this case.

#### Bicycle Promotion Centre

A bicycle promotion centre can be utilized as not only a way to promote the use of bicycle in the rural area, but also an efficient method for revenue of MICHINOEKI during the initial stages of operation called "Seed Money".

During the pilot study in MICHIONEKI Anchilo, Taito-City in the Tokyo metropolitan, Japan donated second hand bicycles and shipping to the Nacala port was done with purchased container. The schedule from receipt of bicycles to arrival at Nacara port is as follows;

- ✓ Receiving 74 bicycle: 25<sup>th</sup> April
- ✓ Departure from Japan (Yokohama Port): 2<sup>nd</sup> May
- ✓ Arrived at Nacala Port: 20<sup>th</sup> June
- ✓ Custom Clearance, Transporting to ANE: 28<sup>th</sup> June
- ✓ Installation to MICHINOEKI: 16<sup>th</sup> July

The container used for shipping can be used for a warehouse for storage of purchased goods.

Note that shipping fee from Japan to Mozambique (approx. 3,000USD), fee of inland transportation, custom clearance etc. shall be required. For Nacala corridor, utilization of railway is also another alternarive to transport the container.

It should be carefully discussed on costs incurred from procurement of bicycle and its transportation to the site in future MICHIONEKI.





# **Operational Management Planning**

MICHINOEKI aims to provide a multi-functional facility for traffic safety and encouraging activities of rural population so that its construction and operation should be conducted by the cooperation with road agency, ANE, and local governments. The Figure 2 shows the idea of institutional arrangement, including each organization's responsibility in the process fromconstruction to operation. This idea is on the basis that MICHINOEKI should be provided by road agency (ANE) because its major the purpose is traffic safety promotion, as well as that involvement of local government is essential inthe field of approval for land acquisition, construction and project license. If local government has enough budget for MICHINOEKI such as a construction of indoor/outdoor market, ANE should only pay for construction of the parking area. Even though, shares of installation costs for water and electricity still remained. Most reasonable shares of responsibility between them is that ANE should build all of MICHINOEKI facilities by using Road Fund budget, then the operation unit of ANE would pay buck after opening as a redemption fee. Therefore, it is recommended that ANE should become a facility owner.



# Figure 2. Draft Idea for Responsibility for MICHIONOEKI Implementation and Operation

From the viewpoint of empowerment to rural, MICHINOEKI must be operated by the local organization not but private companies. One of the effective ways for operation is to utilize the forums of agricultural association because they had human resources with skills

The results of pilot study, the following agreement was reached;

ANE:	Owner of the MICHINOEKI Anchilo Facility
Nampula District:	Manager of the MICHINOEKI Anchilo
Forum of Association for Farmers:	Operator of MICHINOEKI Anchilo

Documents in the next page shows the agreements on responsibilities between relevant organizations

#### Agreements between each Organization

#### Acordo

Este é o Acordo e condições para a entrega da Operação de MICHINOEKI Anchilo, o Projecto financiado pelo Governo Japonês e coordenado pela JICA (Agência de Cooperação Internacional do Japão) de ANE para o Distrito de Nampula

- 1. Os poderes completos da Operação de MICHINOEKI Anchilo são transferidos do Governo do Distrito de Nampula para o Fórum de associações de Produtores de Anchilo (FAPA).
- 2. O FAPA terá a responsabilidade de administrar e desenvolver o mercado MICHINOEKI Anchilo para criar mais emprego para os seus membros e melhorar a economia e a vida dos camponeses do Distrito e Posto Administrativo de Anchilo.
- 3. MICHINOEKI é um estabelecimento público, que não pode ser vendido e nem alienado e/ou usado para fins não previstos
- 4. O FAPA submeterá um Relatório mensal de dados financeiros de MICHIOEKI Anchilo para o Governo do Distrito de Nampula.
- 5. O FAPA deve aplicar as taxas de cobranças pré-estabelecidas pelo Governo do Distrito de Nampula.
- 6. O FAPA quando desejar mudar o negócio e as regras do mercado, deverá submeter uma proposta da mesma ao Governo do Distrito para a sua aaprovação.

Nampula, aos 17 de Agosto de 2007

O Administrador Distrito de Nampula Testemunha O Representante da JICA em Moçambio 2 VSr. Takashr TKQ cao de Jar

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Agreement between ANE to Nampula District

Hand over Memorandum between JICA and ANE jîca



R.P.Fe

Memorando

Esta é a Acta de Memorando entre as agências pertinentes relativa à administração e a operação do Projecto Piloto da JICA, a fim de Actualizar o estudo da Estrada de Nampula à Cuamba na República de Moçambique.

O projecto piloto da JICA, identifica a execução do plano conveniente e, da operação de projectos do "Centro Rural. Projecto esse que é uma das propostas principais do "Programa de Desenvolvimento regional a curto prazo. Para o adequado desenvolvimento de estradas, as agências pertinentes devem assumir a responsabilidade para implementação do Projecto Piloto da JICA, com os sequintes objectivos:

- Construção de um Mercado Michinoeki em Anchilo, Província de Nampula, para promover um espaço de vendas de refrigerantes, comida, vegetais, parque de estacionamento, casa de banho para os residentes vizinhos e condutores.

- Fornecimento de lugares aos camponeses vizinhos para venderem os seus produtos agrícolas no mercado Michinoeki.
- Promoção e venda de bicicletas fornecido pelo Governo de Japão, para os camponeses
- Promoção de várias Campanhas como de Seguranca de Tráfego, Saúde, Alfabetização, etc.

Para este propósito, as agências pertinentes concordam com implementação do projecto com as seguintes responsabilidades

#### Acordo

Este é o Acordo e condições para a entrega de Operação de MICHINOEKI Anchilo de Distrito de Nampula para o Foro.

- 1. Os poderes completos da Operação de MICHINOEKI Anchilo será transferido para o Foro das associações
- 2. O Foro terá a responsabilidade de administrar e desenvolver o mercado MICHINOEKI Anchilo para melhorar a economia e a vida dos camponeses do Distrito e Posto de Anchilo.
- 3. MICHINOEKI é um estabelecimento publico, não pode ser vendido para uma empresa privada
- 4. O Foro submeterá um Relatório mensal de dados financeiros de MICHIOEKI Anchilo para o Distrito de Nampula.
- 5. Quando MICHINOEKI guerer mudar o negocio e regras do mercado, o Foro deven discutir com o Distrito de Nampula a pedir permissão.

Augosto 17, 2007

Administrador Distrito de Nampula

O Delegado da ANE

re Nhace

Presidente Foro

Sr. Takashi ITO (Testemunha) Representante da JICA em Mocambique (Agencia Internacional de Cooperacao de Japao)

#### Agreement between Nampula District to Forum

- 1. O Governador da Província escolhe uma pessoa para ser o supervisor da Estação e um conselheiro do Michinoeki que ajudará na assessoria do supervisor da Estação acima designado.
- 2. Neste acto, serão entregues também 63 (sessenta e três) bicicletas doadas pelo Governo do Japão no âmbito do projecto piloto da JICA, as quais são transferidas para a ANE e por sua vez a ANE terá a responsabilidade completa de gerir as instalações e o equipam
- 3. A ANE, o Governo da Província de Nampula (GPN) e os co-participantes do projecto, trabalharão juntos e terão a responsabilidade de estabelecer uma Equipa de Operação do Projecto (EOP) para a execução, administração, e supervisão dos negócios e as contas do projecto.
- 4. A EOP deve submeter um relatório mensal de dados financeiros para o escritório da ANE em Nampula e para o GPN esperando assim a sua aprovação e supervisão. O escritório da ANE em Nampula deve também submeter um relatório mensal ao escritório da ANE Nacional e, por sua vez a ANE submeterá o relatório ao Escritório da JICA em Moçambique duas vezes por ano.

Nampula, aos 17 de Agosto de 2007

O Representante da JICA em Moçambique 年 Fi Sr. Takashi ITO

Testgentinha ernadot da Pro vincia Fred < Doutor Felismino Ernesto Tocoli (Professor Auxiliar)

Types of staff required for MICHINOEKI operation are listed below. Staff should be carefully selected, paying attention to their capacity of business mind and accounting skills.

Position	Responsibility	Note (Requirement)
1. Manager	Reporting to District, ANE Negotiation for MICHINOEKI's development	Part time (Chief of Post)
2. Adviser	Selection of staff Mediation for problems	Part time (President of Forum)
3. Head of Facility	Daily Management, Cashbox control, Bank accounting Purchasing goods	Full time
4. Sales Manager	Sales management (sales, cashing, accounting), Purchase planning	Full time
5. Outdoor Market Manager	Instructing direct sales, take away foods Sales planning for agri. craft goods	Full time
6. Warehouse Manager	Storage management (daily goods, drinks) Purchasing goods	Full time
7. Bicycle Sales Manager	Management for sales of bicycle Collection/purchasing of goods for outdoor market	Full time
8. Cleaning	Daily cleaning	Full time
9. Security Guard	Traffic secure, Night secure, Guard	Full time (2 persons)

Table10. Staff for MICHINOEKI

A basic idea on the business plan is shown bellow. Note that each MICHINOEKI's accounting system should beindependent from any other organizations. The principle of operation is that after one month, staff should calculate the profit (Income minus Expenditure), then discuss the allocation for reserve fund and salary for staff. It means that there is a case of no salary if the sales amount will not be sufficient enough for the minumu MICHINOEKI operation costs. On the other hand, staff can obtain much salary if the more profit is gained.



Because of difficulties for operating MICHINOEKI at the beginning stage, sales amounts of bicycles can be seed money for them. In the pilot study, used bicycle has been donated by a certain Japanese city and its transportation costs were supported by JICA. Accordingly, it is possible to seek similar way of scheme not only from Japan but from any other countries.

# PART 2 Institutional Arrangement & Construction

In this part, the procedure at the construction stage and the points to considered are discussed.



# License Application & Approvals

In order to construct the MICHINOEKI, the following permissions are necessary to be approved by government authority

Table11.	License	Application	& Approvals
I GINIO I II		, application	a rippi o raio

Type of Dermission	Responsibi	lity		Necessary Decumenta	
Type of Permission	Applicant Licensed by Office in		Office in Charge	Necessary Documents	
Concession of Land	ANE	District	Agriculture Public works & housing	Location Map (Inspection on the site)     Community consultation     General comment for the results of	
		Province	Cadastre	- Application Form	
Construction License Licença de Construção	ANE	District	Public works & housing	<ul><li>Project Document</li><li>Construction Schedule</li></ul>	
Project Approvals Aprovação do Projecto	ANE	District	Public works & housing	Project Document     Concession of Land     Construction License	
Business License	Operator	District		<ul><li>Application Letter</li><li>Project License</li></ul>	
Project License for Electricity	ANE	EDM		- Project of Electricity	

# For the reference, Construction license and its obligations are shown below.



The unit price list for compensation of properties(i.e. fruit tree) and the results of compensation fee in the pilot project are shown below.

MINISTÈRIO I DIRECCÀ DISNVI SER REPART TABELA DI	O C ATÉQ Sup A AGRICULTURA E I RURAL O PROVINCIAL DA AG DIVIMENTO AURAL I IQOS PROVINCIAIS 3 IQÃO DE PRODUÇÃO E INDEMNIZAÇÃO DA	VISTO HERL DOC DERVICOS EMILO M. FUREDE Agro-Pec.e Pescas NI) DESENVOLVIMENTO IRICULTURA E DE AGRICULTURA E CULTURAS S FRUTEIRAS	DECLABACÃO DA CONTRA DE MUNICIPALA SIDO A MUNICIPALA o do Aliano, sibo a Municipala pula, portedor do doumento de DI MUSALA en 1900/8 mula, portedor do doumento de DI MUSALA en 1900/8 maidente no Bairo de Natura MULA (1900/8) maidente no Bairo de Natura MULA (1900/8) maidente no Bairo de Sido por unha houra e livre vontade que venti as sinhes plantes que caté no terreno onde o Estado pretende faser un Profecto de construção de un Barqué de estado pretende faser un Profecto de construção de un Barqué de estado pretende faser un Profecto de construção de un Barqué de estado pretende faser un Profecto de construção de un Barqué de estado pretende faser un Profecto de construção de un Barqué de estado pretende faser un Profecto de construção de un Barqué de estado pretende faser un Profecto de construção de un Barqué de estado pretende faser un Profecto de construção de un Barqué de estado pretende faser un Profecto de profector de José Administrativo ou Bistrito te funda MULA, no valor de DOIS MULA CENTE
	PREC	ARIO(Mts)	E VINTE METICATS*
ESPÉCIE	Plantas Novas	Plantastero	Contorme a disoriandação das prantes averior
		Producão	l(Ums) Papaeirs 20.00 MT
Citrinos	100.000,00	250.000.00	6(Seis( Cajueiros 1.5000 m
Mangueira	· 60.000,00	· 150.000.00	2(Dois) Jampaloeiros <u>500/00</u> MT
Litcheira	200.000,00	.750.000.00	TOTAL: 20/00 MT
Cajueire	100.000,00	250.000,00	
Abacateira.	100.000,00	250.000,00	nue con mutate present a presente destavesta que vai nom min sociande
Chiabeira	· 60.000.00	150.000,00	yor ser verdage, passel a presente declaração que vel pur mim antinue
h.quira	. 60.000,00	150.000,00	e En sentemonues due brebenergram o soco de baPamerco:
Caramboleira	100.000,00	250.000,00	inspille and 25 as dellas in 2007 -
Ateira	50.000,00	150.000,00	o DESEANTE
Ananazeiro ·	· 30.000,00	45.000,00	
Coqueiro	50.000.00	125.000.00	
Papasira	60.000,00	120.000,00	/
Bananeira	60.000,00	120.000,00	
Trepadeira	60.000,00	120.000,00	AS TESTERURHA NO AOTO,
Nampul	a, aos 21 de Novembr	o de 2001	ARCATO ISUBERIALO NOVENES
	CREFE DA REPART	ição .	Anto dia dagais of
TA	DEU DUNIA NAMANG	OAYO .	20 (2 (2007)

Note that application for the project approvals should be submitted with the project documents including the drawings followed by the general standards for drawings. The project documents and documents for electricity license in the pilot project are attached in appendix of this guideline.

# Construction (Contract type, Supervising)

There are two types of contracting scheme can be applied and selected for the construction. One is "Bill of Quantity (BQ)" contract and the other is "Design and Built (DB)" contract. Most of building project is done by BQ contract because requirements for site layout and building are general and standardized specification. However, MICHINOEKI's project is the construction of multi-functional facilities and the custom made project for each site, its designing is thought to be a difficult than the normal residents and public facility's project. Therefore, it is recommended that if the ANE or local government do not have enough capacity for designing for MICHINOEKI, type of contract should be taken by DB contract. This saves the uncertainly risks and loss of money for quantity changes.



In case of DB contract scheme, bidding and selection should be taken as QCBS (Quality Cost Basis Selection) instead of CBS (Cost Basis Selection). Because the lower bidder does not have any guarantees for their capacity for design and construction.

During the construction stage, construction tasks are braked down as follows in general. Supervision of construction should be done properly by the in-house engineer or hired constructing consultant, to have the points of view for users safety and comfortably.

Construction Tasks								
1.	Setting-out	7.	Car Park					
2.	Foundation Work	8.	Septic Tank					
3.	Concrete Work	9.	Drilling Well					
4.	Masonry Wall	10.	Electrical Installation					
5.	Roofing Work	11.	Mechanical Installation					
6.	Terrace floor interlo	ocking						

# Selection of Operator & Staff

Operator should be selected a organization aimed to be a public purpose such as forum of agricultural association. Private company is strongly prohibited to be a operator of MICHINOEKI because their profit-oriented activities will be faced to rural communities.

Note that when operator is selected from existing organization such as a forum association, this operator must be independent of financial from the forum.

Selection of staff shown in Table10 are conducted by a operator supported by local government. At least, business mind and mathematics are required to staff. Selection method is shown below.

Staff Selection: Selection Points Paper Examination: Calculation Skill Oral Examination: Communication Skill, Business Mind, Creativity, Motivation Cooperativeness

Once MICHINOEKI open, staff will be faced so many things to solve. Therefore, they should have a ability to discuss each other. this

# Staff Training (Contents of Training)

Staff training before opening MICHINOEKI is much required because most of rural people did not have a experience of business mind and accounting skills. Good training contents helps MICHINOEKI operation in future. Lessons learnt from pilot study developed the contents of staff training as follows. It may be changed by each conditions of rural community.



Contents of Staff Training			
1 <sup>st</sup> Step	2 <sup>nd</sup> Step	3 <sup>rd</sup> Step	
Imagination Training - imagine present status - imagine in future	Role Playing Training - What do you do when "x" happens ?	Staff Responsibility Assignment - Discussion & Conclusion	
- problems & hopes	Accounting Skill Training	g - Recording, planning	

The on-the-job training (OJT) at former MICHINOEKI is a better way to image and know the actual management situation for staff training.

After 3<sup>rd</sup> step of staff training, following forms should be prepared before its opening. Note that these are not rigid one, should be remained a flexibility for adjusting.

- Staff Responsibility Matrix Chart
- Daily Work Item for each Staff with timeline
- Counter Measure List for Problems raised
- Accounting Forms (see. Appendix)

Table12.	Necessary	/ Forms	prepared	before C	)pening
	Neccosar		preparea		pennig

Forms	Staff Responsibility Matrix Chart	Daily Work Item for each Staff with timeline	Counter Measure List for Problems raised	Accounting Forms	
Objective	To share each responsibility for their task	To understand & standardize of daily work	To prepare smooth response for emergency matter	To record daily results for monthly report	
Contents (example)	Matrix Chart Low: Staff name Coolum: Responsibility item	Narrative description Time schedule for each staff <i>6:00 open the facility</i> *:** xxx	Security problem Outdoor / indoor market Electricity problem	Tenant occupation sheet Record of tenant sales Bicycle registration sheet Record of indoor market sales Record of expenditure Cashbox record Staff work record Record of community phone	

Staff should also be trained how to decide a price, display the goods for making an attractive MICHINOEKI for road user.



Outdoor Market Price Tag & Display

Indoor Market Price Tag & Display



Example: Attractive Display

# PART 3 Operation & Management

In this part, the procedure and methods for Management & Operation of MICHINOEKI shall be described.



# Daily Operation & Management (Accounting, Staff Responsibility)

For the daily accounting management, sales managers for both indoor and outdoor should take their sales records properly. They also should prepare to collect receipts for each sale because of transparency of sales records to local governments as well as for tax charge.

Staff responsibility should be defined before during the staff training stage, the following list are tentative definitions of staff responsibilities from the pilot study in Anchilo.

Level	Responsibility
Daily	<ul> <li>Key (Building, Warehouse) management</li> <li>Cleaning</li> <li>Display of goods (indoor, outdoor)</li> <li>Indoor market sales</li> <li>Management of warehouse (inventory control)</li> <li>Outdoor market sales</li> <li>Control of direct sales person</li> <li>Management of community phone</li> <li>Guard for daytime for indoor/outdoor market to be secure</li> <li>Guard for traffic safety</li> <li>Cashbox management (on the morning, at the night)</li> <li>Control / check of staff work record</li> <li>Reporting to police (if problem happens)</li> <li>Fixing of electricity problem (if problem happens)</li> </ul>
Weekly	<ul> <li>Planning of purchase (stock)</li> <li>Purchasing (Town, Farmers)</li> <li>Organizing of staff meeting</li> <li>Business planning</li> <li>Bank (deposit, withdraw)</li> </ul>
Monthly	<ul> <li>Bank statement collection</li> <li>Summarizing of accounting form</li> <li>Reporting of monthly report</li> <li>Planning of future invest</li> <li>Planning of event execution</li> <li>Planning of publication</li> <li>Organization of allocation of salary</li> </ul>

At least, a manager should hold a regular staff meeting once a week to discuss the progress and problems of operation of MICHINOEKI. Note that the highest manager's responsibility is to encourage staff to speak out their ideas for improving MICHINOEKI.

# Business Planning (Advertisement, Purchase, Stock, Outdoor market management)

MICHINOEKI Anchilo

Venda de Produtos Agricolas Fresces de Bos Qualidade Repúblio, Cobolo, Pimento, et Extoremos a vosos Esporo I

in Extransi e Governo Local

Esta é a Primera MICHINOEKI em Moçambique

Brevemente !! 17 de Agosto 07

"MICHINOEKI" é <u>uma nova facilidade</u> ao longo da estrada oferece descarso e Mercado para es condutores, possageir

É implementado con ANE (namena terme a termen e Governo Lo de Distrito de Norquia con opeio de JICA/relevo e forendo brene reme: par la poro o Fórum dos Associações Ágricolos de Anchelo

MICHINOEKI Anchilo vai promover as campanhas de segura redovidria e o deservolvimento dos componenes de Anchilo.

Alife Vallet Schemen Antiscoffict Stands: Jointo Diano Anti-Lett van Tan. 21 Antis Print Danie Diano Antis

21 AMérie Fernande Xacala Provincia de Cristian de Cernaldo do Teorre des Associações Agroces

Localização da MICHINOEKI !

Disponivel no MICHINOEKI

Contamos com a vasso Presenca !

Pero es Motoristas

Espaça de astro Caso de Bonho Refrescos etc.

oferece: descando residentes de Anch

In Lasty Value Tarty

Many customers will be attracted from a good advertisement and staffs' effort. The Operator as well as staff should always consider to improve their business plan.

This is a leaflet for drivers announcing its opening. Another methods of advertisement include i) Radio Broadcasting (50MTn/time by regional radio using local language, 152MTn/time by national radio using Portuguese language) and ii) Announce by vehicles equipped with loud speakers owned by newspaper company (ICS) (850MTn/hr.).



Vehicle equipped with loud speakers

Some national and regional newspaper company and television ones can be utilized if their editors are interested in the MICHINOEKI activities (or invited editor and TV crew by paying daily allowance (1,200MTn) and transportation fee).

The following leaflet is to disseminate our activities to rural people. They were distributed though the forum associations (Left side: Bicycle Sales, Right side: Information of Direct Sales).



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# Flags and Signboard

For the driver, a visible sign is a most useful method to recognize MICHINOEKI. Flags and signboards can the most popular means. Examples of the visible signs are shown below. In future, proper naming for MICHINOEKI in Portuguese should be discussed and original symbol mark should be decided for disseminating existence of MICHINOEKI. Note that it should be discussed whether SADAC guideline for road sign is applied to MICHINOEKI's symbol mark or not.



# Japanese Symbol Mark for MICHINOEKI

- Japanese Symbol Mark for MICHINOEKI was selected by the committee of MICHINOEKI through symbol mark competition. This design idea was disseminated through the National Newspapers and Magazines.
- This Symbol Mark is consisted of the "TREE" with "BUILDING", and there is a "Person" who stays in the Building for their rest, and this person is also expressed as the first letter of "I " in information.
- Whole appearance of this design is imaged from the Japanese Character of "Road:道".



# Purchase & Outdoor market management

Purchase of daily goods and drinks should be conducted taking customers' demands into consideration. Sales manager should see the trends of customer's consumption and decides what should be stocked more. When purchasing, a large amount of goods as possible considering stock space should be bought at once to save the transport costs.

Through the pilot study in Anchilo, it was found that operating outdoor market was a little difficult due to a little number of customers. This was resulted from the lack of transportation mean and warehouse for backlogged goods. One of the solutions is to change the management system from the direct sale style to one purchased by MICHINOEKI staff or consignment sales. Staff should always make an effort to seek a better way for rural community. Especially for crafts sales is easy to apply these sales method.



Crafts sales >>



Examples of the sales display in the Japanese MICHINOEKI are shown in below. They are trying to put an additional value on the sales goods through display, and also keeping hospitality to customers.

Example of Japanese Sales Method in MICHINOEKI



Good with attractive explanation makes good sales

"It just has come from the field!"



For good sample, Cut and show its inside of cucumber



Introducing the each farmer Corresponding to the agricultural good



Customers are interested in good communication and negotiation with farmers

Utilize the natural views Preparation of view point for memorial photos

Source: Webpage for various MICHINOEKI in Japan

It is recommended to plan an event such as the "Special Day" to ask farmers to bring the agricultural products and crafts in a one day.

# Event Planning & Execution

Open space can be used for various kinds of events to inform social or health education.

### Table14. List of Considerable Events in MICHINOEKI

- Traffic Safety Campaign
- Health Education AIDS/HIV (HIV testing)
- Introduction of foreign culture
- Various type of awarding ceremony
- Contests of educational/sports festival
- Music Festival
- Outside cinema

In the pilot study, "Traffic Safety Campaign" and "Outside Cinema: Introduction of Foreign Culture" was executed.

# Traffic Safety Campaign



Pedestrian crossing training

Awarding ceremony for contest of traffic safety poster (grade7)

Bicycle riding demonstration

Drama for traffic safety

### Outside Cinema: Introduction Foreign Culture



# Investment for Future Development

MICHINOEKI will be possible to expand its facilities and add another functions in future as the customers' demand. Investment can be made using the reserve fund accumulated from the profits of the daily operation in further MICHINOEKI development. In future, Operator can seek investors for development of MICHINOEKI after obtaining the approvals from local government and ANE.

# Reporting

MICHINOEKI is a public facility so that it is obligated to submit the monthly and annual reports to local government and ANE, which is required for transparency of the operation. Monthly report should be contained the following items.

1. Executive Summary	<ul> <li>Sales income, Expenditure</li> <li>Reserve fund, Salary</li> <li>Observation, Investment Plan</li> </ul>
2. Accounting Record	<ul><li>Reporting Form (see. appendix)</li><li>Bank Statement</li></ul>
3. Observation	<ul> <li>Advantage / Disadvantage</li> <li>Customers</li> <li>Staff Management</li> </ul>
4. Assets	- Asset list
5. Investment Plan	- Developing items / costs

# Table15. Items described in Monthly Report

At the end of each month, the manager should collect all of data on accounting and information happened in the month. After preparing the monthly report, it should be submitted to local government and ANE through the chief of post administration. Local government and ANE should audit at least once a half year.

# PART 4 Lessons Learnt from Pilot Project in Anchilo

The pilot project is executed at the Anchilo post where is located 19km from the Nampula city to Nacala port. Furthermore, it is 2km away from the post administration office of Anchilo. The total area of the MICHINOEKI site is approx. 900m<sup>2</sup> including 424 m<sup>2</sup> for parking area.





# Points to be Considered

Through the pilot project, the following lessons were learnt.

Table16.	Lessons	Learnt fr	om the	experience	of the	<b>Pilot Pro</b>	iect in	Anchilo
Tuble IV.	LCGGGGIIG	Louint n	on the	caperience.			joot in .	

1. Site Selection	<ul> <li>Difficulty to find the vacant area (most of them are occupied or used as governmental properties, church and private agricultural field.</li> <li>Misunderstanding with the owner to explain the MICHINOEKI objective made it difficult to get agreement of compensation of fruit tree.</li> </ul>
2. Design & Construction	<ul> <li>Difficulties to adjust &amp; change the facility design in the BQ contract.</li> <li>Require selection through pre-qualification for contractor's capacity for design and construction</li> </ul>
3. License Application & Approvals	<ul> <li>Much time required to approve the concession of land, project license.</li> <li>Need a lot of discussions on how to charge the tax for business license.</li> </ul>
4. Staff Training	<ul> <li>Much time required for staff training.</li> <li>Require Much Mathematical skill training for staff.</li> <li>Difficulties to make staff be aware of business mind, hospitality, MICHINOEKI's objective (empowerment of rural community) and self-solving for their problems.</li> </ul>
5. Operation & Management	<ul> <li>Difficulties of operating direct sales by farmers in outdoor market (Craft and other production is easy to apply consignment sales).</li> <li>Difficulties of daily accounting by staff themselves at the beginning.</li> <li>Difficulties of preparing a reasonable purchase plan at the beginning (Daily goods should be purchased at large amount, then sell to piece of cake to rural residents. e.g. soap, sugar).</li> <li>Community phone is useful for improving rural communication.</li> <li>Restaurant / Take away food, drivers' slapping place are requested by customer</li> <li>Bank account is helpful for saving uncontrolled expenditure.</li> </ul>

It was found that the most important attitude is continuous communicate between staff and attitude for improving their MICHINOEKI's facility and operation & management system because the MICHINOEKI only gives a first tap for empowerment to rural community.

