Value Chain Study (VCS) Report

Sustainable Livelihood and Economic Recovery Project Funded by UNDP

March 2021, Salah al-Din – Shirqat district

Prepared by:

Livelihoods team

Mercy Hands for Humanitarian Aid

Contents

Abbreviations/ Acronyms

VSC	Value Chain Study
MH	Mercy Hands
UNDP	United Nations Development Programme
HNO	Humanitarian Needs Overview
MEAL	Monitoring, Evaluation, Accountability and Learning
PWD	Persons with Disabilities
FGD	Focus Group Discussion
KII	Key Informant Interview
MoLSA	Ministry of Labor and Social Affairs
FHH	Female-Headed Household
JP	Job Placement
CFW	Cash for Work
PWD	People with Disability
CFM	Complaints and Feedback Mechanism
SME	Small and Medium Enterprises
PVC	Polyvinyl Chloride
IT	Information Technology
IEC	Information, Education and Communication
USD	United States Dollar

Executive Summary

The Mercy Hands' team conducted a Value Chain Study (VCS) for the Sustainable Livelihood and Economic Recovery project in Salah al-Din governorate, Shirqat District particularly on dairy, food production and industry schemes in order to obtain clear economic analysis, functional analysis, skills availability, demand and barriers/gaps analysis from the selected sectors.

In other words, the value chain study will particularly help to determine the key sectors in which to focus on trainings and job placements. And specifically, the outreach with key stakeholders conducted during this analysis will assist the project team in identifying and developing relationships with potential employers for job placements

More so, analyze gaps in supply and demand chains, identify opportunities and sectors for business development, job placements and vocational trainings as well as define the consumer market for new businesses and Identify specific opportunities for women and Persons with Disabilities (PwD), and prioritize businesses which promote environmental conservation.

The project team in coordination with Livelihood Director and the MEAL department designed a semi-structured questionnaire for the VCS which included individual survey, FGDs and KIIs. All the questionnaires were developed in English and translated into Arabic for easy understanding by the enumerators and the target respondents.

The individual survey was uploaded on Kobo for mobile data collection targeting different community households, while the FGDs and KIIs were administered through hard copies targeting community leaders, traders, producers, consumers, government focal points, MoLSA staff, chamber of trade, Mayor of Shirqat, and Mukhtars.

Sixteen (that is 3 male project staff and 13 assessment officers (m=8, f=5)) MH staff were involved in the data collection that was done through in-person interview approach considering providing an extensive orientation and training on the tools to all staff involved prior to the data collection process on rapport building, assurance of confidentiality and respondent anonymity, role-play, field pilot, mock surveys, data collection etiquette and guidance.

Participants' consent and ethical considerations were considered as well. Data was exported to Microsoft Excel and Word files for analysis using pivot charts and cross-tabulations/themes to present values and results. All data is retained in an excel sheet and word file as part of archiving process.

Key Findings

Demographic and Geographic Compositions: The respondents constituted of 408, out of which 57 percent (n=231/408) male, and 43 percent (n=177/408) female. The study targeted the whole areas that belong to Shirqat district which located in Salah al-Din governorate.

Areas of Needs/Gaps in Businesses: The survey respondents were asked about the top products/businesses their area needs, so, the highest three rates were for dairy by 65 percent, tailoring by 58 percent and bakery by 51 percent.

Support Needed: Eighty percent acknowledged the need for grant support with an average of 2,900 USD, 75 percent said assets and 56 percent reported the vocational training support.

Factors Affecting Businesses: The biggest barrier that stands against opening/ supporting businesses was the current economic downturn as indicated by 86 percent of the respondents, followed by lack of demand by 48 percent, and lack of raw materials by 37 percent.

Job Placement: Around 98 percent indicated a lack of job opportunities, 66 percent acknowledged the need for job placement, also, 64 percent said the business owners would be ready to support such a project. The recommended business where job placement can be useful were tailoring as reported by 75 percent of respondents, barber/salon by 47 percent, mobile and computer maintenance by 34 percent and restaurant by 27 percent. The conflict of interest was the main factor that may affect the job placement project.

Cash for Work: The areas of needs that require minor rehabilitation and/or campaigns in their areas to be executed under the cash for work activities were cleaning campaign by 91 percent, afforestation campaigns by 72 percent, rehabilitation for community infrastructure by 57 percent and rubble lift with a percentage of 42. Almost 99 percent agreed with the statement that there are a lot of people who are ready and in need to work as a laborer for three months under the cash for work project with an average of 16 USD as a daily wage.

Link the Interventions: The majority of the surveyed people went for the option of opening dairy, tailoring, pastry and cake factories to link the three interventions which are SMEs, JP and CFW.

External Factors Affecting Businesses: The dollar exchange appreciation and the COVID-19 pandemic are the main factors that have affected/ or may affect the economic conditions as referred by 99 percent of survey participants.

Products Preferences: Eighty-two percent of the interviewees declared that they would prefer domestic products and they affirmed their willingness to support any domestic products suggesting considering the quality, price, availability and cleanness of products to be the same or better than the imported ones.

Mutual Support System: Fostering social cohesion and reintegration among different communities as well as women empowerment and women led-cooperatives to encourage mutual support system through supporting businesses can be achieved through sewing workshop or factory, pastry and cake lab, manufacture of frozen food, salons and any other businesses that bring people together.

Disability and Female Inclusion: Female inclusion was encouraged as stated by 96 percent of participants, whereas, 81 percent agreed with the disability involvement in the project activities.

Complaints and Feedback Mechanism: The potential beneficiaries would prefer reporting their concerns/ feedback through hotline number as indicated by 93 percent.

FGDs with Producers: All interviewees confirmed that they need raw materials, grants, assets, equipment and human resources as support to expand/ develop their businesses. The main constraints that keep them from increasing their profit were the shortage of raw materials and its high price as well as lack of money, transportation and the COVID-19 pandemic.

FGDs with Traders: All interviewees stated that they need financial support, extra space and staff to expand/ develop their businesses. The main constraints that keep them from increasing their profit were lack of money, competition, USD exchange-rate appreciation and the COVID-19 pandemic.

FGDs with Consumer: All preferred domestic products on imported ones, they suggested having some support in raw materials, financial, and provide quality control system. The main factors that make people hesitated from buying domestic products were high prices, poor quality, and inconstant availability. All respondents pointed out that domestic products are more expensive than the imported ones, so, they suggested providing more support towards agriculture and reduce imported products as well as showing more importance to domestic products.

Key Informant Interview: The key informants reported the following needs that their area businesses concerning the assessed sectors;

Dairy: open a small dairy lab, support the rehabilitation of al-Taj factory for dairy located in Shirqat, transportation, provide milk through livestock and increase the productivity of dairy through supporting people in this sector**.**

Food Production: Assets and materials as well as agriculture like grocery, open a frozen food factory, open restaurants, and manufacture of pastry and cake.

Industry businesses: raw materials, open clothes factory, support PVC factories, carpentry factories and sewing factory.

Furtherly, the major constraints that keep businesses in the target area from increasing their profit were lack of money, lack of staff, the abundance of imported products, poverty and lack of storage facilities.

The key informants indicated that the community purchasing decision does not differ if the preventing measure and practice of hygiene are not in place since people tend not to consider COVID-19 preventive measures nor hygiene practices.

Lastly, key informants highlighted the types of dairy/foods/ industry products that people in their area do consume/ buy regularly and it is not sufficient, expensive, not healthy/safe, or with poor quality. Details are given below;

Not domestically produced: frozen chicken, cream, sweets, some pastries, tomato paste, grocery, legumes, rice, oil, detergents, burger and clothes.

Not sufficient: Yogurt, butter, cheese, eggs, milk, food production, and bread.

Expensive: frozen chicken, detergents, legumes, and grocery.

Not safe/not healthy: frozen foods

Lack of quality: grocery and frozen foods

Gaps in Dairy Value Chain: Lack of milk, shortage of products, challenges in transporting products, and lack of money.

Gaps in Food Production Value Chain: Poor quality, high prices and lack of domestic food products, lack of assets and materials, no marketing for the domestic products and abundance of imported ones, lack of storage facilities and demand due to lack of money.

Gaps in Industry Value Chain: Shortage of raw materials and its high price, shortage of productivity in clothes, the high price of detergents products and absence of the domestic products and lack of marketing skills.

1. Introduction

The Mercy Hands' Livelihood project team in close coordination with the Monitoring, Evaluation, Accountability and Learning (MEAL) department with the consultation of the UNDP's livelihood team conducted a Value Chain Study (VCS) for the Sustainable Livelihood and Economic Recovery project that MH is going to run in Salah al-Din governorate, Shirqat District particularly on dairy, food production and industry schemes in order to obtain clear economic analysis, functional analysis, skills availability, demand and barriers/gaps analysis from the selected sectors. The project is designed to provide sustainable livelihood and contribute to economic recovery. The study targeted the whole rural and urban areas that belong to Shirqat district including sub-districts considering the different community types and gender, the data collection lasted from 9th February until 18th February 2021.

2. Objective/ Study Purpose

The study objective is to provide a description of the methodological approach applied when conducting the value chain analysis. In order to obtain clear economic analysis, functional analysis, skills availability, demand and barriers/gaps analysis from the selected sectors of dairy, food production and industry.

In other words, the value chain study will particularly help to determine the key sectors in which to focus on trainings and job placements. And specifically, the outreach with key stakeholders conducted during this analysis will assist the project team in identifying and developing relationships with potential employers for job placements

More so, analyze gaps in supply and demand chains, identify opportunities and sectors for business development, job placement and vocational trainings as well as define the consumer market for new businesses and Identify specific opportunities for women and Persons with Disabilities (PwD), and prioritize businesses which promote environmental conservation.

3. Methodology

The livelihood team in coordination with the MEAL department and emergency team designed a semi-structured questionnaire for the VCS which included individual survey, FGDs and KIIs. All questionnaires were developed in English and translated into Arabic for easy understanding by the enumerators and the target respondents

The individual survey was uploaded on Kobo[1] for mobile data collection targeting different community households, while the FGDs and KIIs were administered through hard copies targeting community leaders, traders, producers, consumers, government focal points, MoLSA staff, chamber of trade, Mayor of Shirqat, and Mukhtars.

Twelve (that is 3 project staff and 9 assessment officers) female and male MH staff were involved in the data collection that was done through in-person interview approach considering providing an extensive orientation and training on the tools all staff involved prior to data collection process on rapport building, assurance of confidentiality and respondent anonymity, role-play, field pilot, mock surveys, data collection etiquette and guidance. Knowledge acquired was examined through pre-post tests.

The respondents were selected randomly to ensure equal participation and fair representation. All participated voluntarily in the survey where safety, COVID-19 precautionary measures, gender, local values, and dignity were taken into consideration. Spelling and formatting irregularities, lack of data, strange patterns and outliers/ discrepancies were taken into account as part of data cleaning and screening

Participants' consent and ethical considerations were considered as well. Data was exported to Microsoft Excel and Word files for analysis using pivot charts and cross-tabulations/themes to present values and results. All data is retained in an excel sheet and word file as part of archiving process.

[1] Kobo Toolbox is a free open-source tool for mobile data collection. Source: https://kobo.humanitarianresponse.info/

3.1. Sample size

Individual interviews: a multistage random sampling technique was used out of 45,000 estimated households in Shirqat considering 99 percent as confidence level and five percent margin of error per the survey system[2], which makes the sample size 384. Twenty-four respondents were added for weight measure, bringing the total sample to 408.

Focus Group Discussion: a purposeful non-random sample size was followed for the focus groups, consequently, six FGDs (targeting at least 6 individuals for each) involving males and females were conducted, where two with producers, two with traders and the other two with consumers**.**

Key Informant Interview: Eight KIIs were conducted, one with the director of the department of the ministry labor and social affairs and another one with the Mayor of Shirqat district along with two KIIs with community leaders as well as other four KIIs with industry members, and business association, company owner.

4. Key Findings/ Results

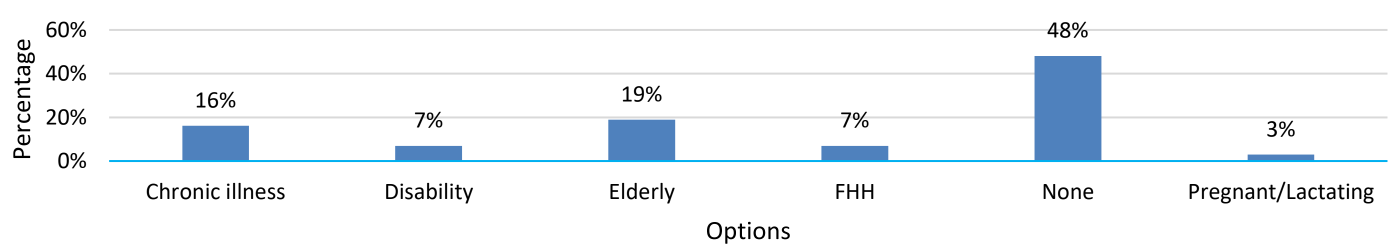
Respondents were asked a set of questions related to demographic features, geographical component, economic analysis, functional analysis, skills availability, demand and barriers/gaps analysis from the selected sectors of dairy, food production and industry. The findings are presented in both charts and the narrative below.

4.1. Demographic Composition

The respondents constituted of 408, out of which 57 percent (n=231/408) male, and 43 percent (n=177/408) female. 54 percent (n=221/408) of the overall respondents were between the age bracket 18-39 years old, 38 percent (n=156/408) between 40-59 years old, seven percent (n=28/408) 60 years old and above, and one percent (n=3/408) below 18 years old. Furthermore, 88 percent (n=360/408) of the respondents were returnees, nine percent (n=36/408) were host community and three percent (n=12/408) IDPs.

Regarding the vulnerability aspect that respondents may have, close to half of them (48%) stated that they do not have any vulnerability while the rest (52%) reported various vulnerability as given in the below chart.

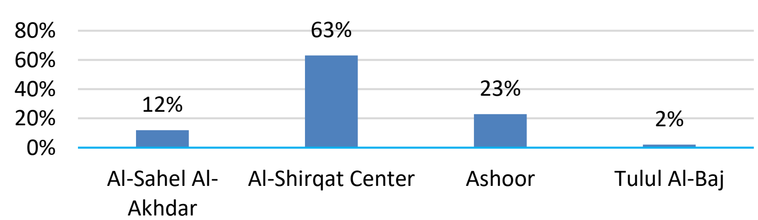
Chart 1: Vulnerability existence, n=408



4.2. Geographical Component

The study targeted the whole areas that belong to Shirqat district which located in Salah al-Din governorate, where 63 percent (n=258/408) of the respondents were from Shirqat center, 23 percent (n=95/408) from Ashur sub-district, 12 percent (n=48/408) from al-Sahel al-akhdar sub-district and three percent (n=7/408) from Tulul al-Baj sub-district as shown in chart 2. It is worth mentioning that around 48 villages/ neighborhoods were targeted during the assessment from all Shirqat district and surrounding areas.

Chart 2: Target area, n=408



[2] The survey system is a free open-source tool used to calculate sample sizes https://www.surveysystem.com/sscalc.htm

4.3. The Individual Survey Results

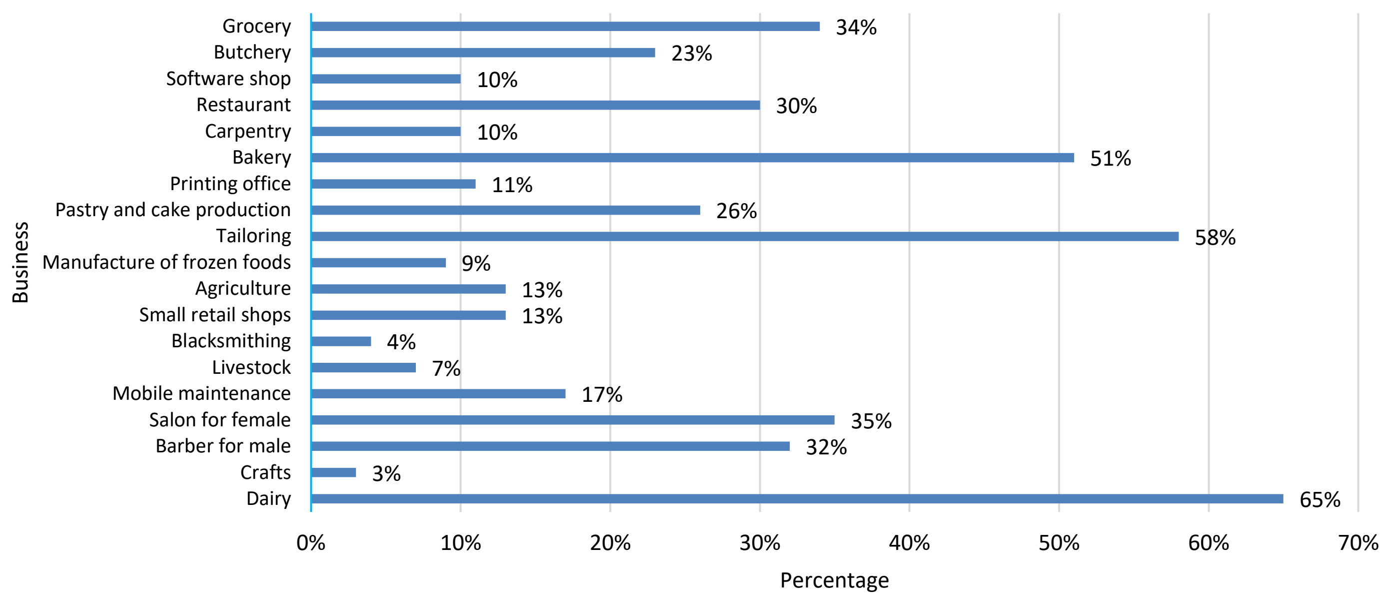
4.3.1. Areas of Needs/Gaps in Businesses

The survey respondents were asked a multi-selection question on the top products/businesses/shops/factory their area needs, so, different sectors and businesses were picked, the highest three rates were for dairy by 65 percent, tailoring by 58 percent and bakery by 51 percent. More so, 34 percent of the respondents reported grocery as one of the top gaps, 35 percent selected salon for female, 32 percent barber for male, 30 percent restaurant and 26 percent pastry and cake production. More details and analysis are shown in the graphical presentation below.

The results show that there is a gap in the value chain of Dairy, particularly in the production

An obvious gap exists also in producing foods

Chart 3: Areas of needs/gaps, n=408

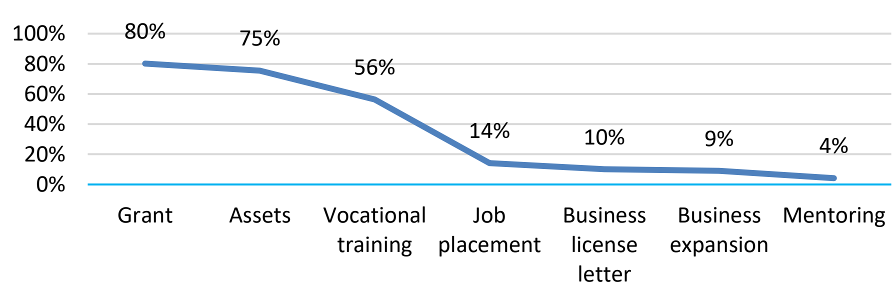


For the interest of assessing the possibility of involving women in the project to enhance gender equality and promote women empowerment in the community, the interviewees were asked whether the reported needs (businesses) can be managed by a woman or not, the result reflected that these businesses can be led by a woman as reported by 49 percent of the respondents, whilst, 51 percent stated the opposite.

4.3.1.1. Support Needed

A follow-up question was asked to explore the kind of support the recommended businesses would need to succeed in the labor market, each respondent selected multi-options based on their experience/ perspectives where 80 percent of them acknowledged the need for grant support with an average of 2,900 USD, 75 percent confirmed that providing assets would support the success of the recommended businesses and 56 percent reported the vocational training support, more details can be found in chart 4. Apparently, the data analysis discloses the need for grants, assets, vocational training, and job placement.

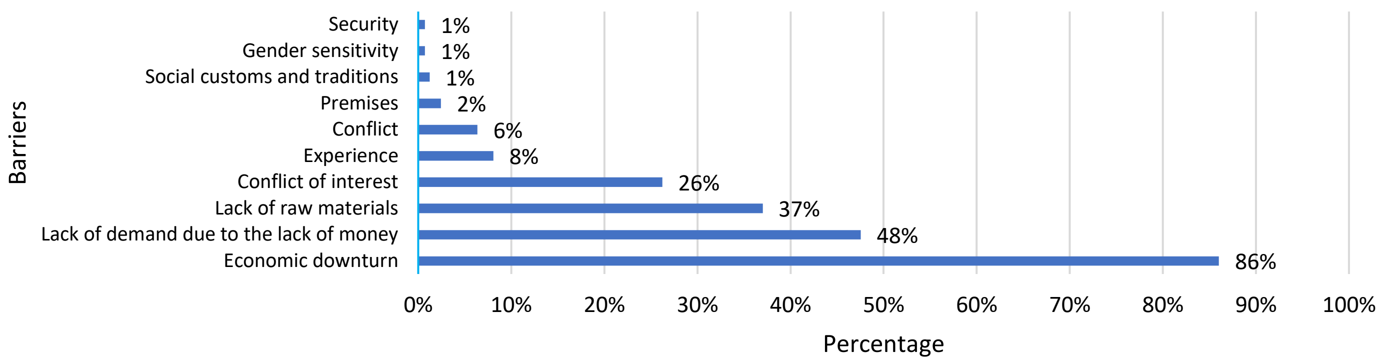
Chart 4: Support needed for businesses, n=408



4.3.1.2. Factors Affecting businesses

We brought the attention of interviewees to the main factors that may affect the process of opening/ supporting such businesses, consequently, the biggest barrier that stands against opening/ supporting businesses was the current economic downturn as indicated by 86 percent of the respondents, followed by lack of demand due to lack of money by 48 percent, and lack of raw materials by 37 percent. This attributes to a gap in the value chain on the producers and consumers levels, therefore, the availability of raw materials for dairy, food production, and industry must be taken into account, more so, enhance the income may be a feasible way to tackle issues in the value chain. See the below chart.

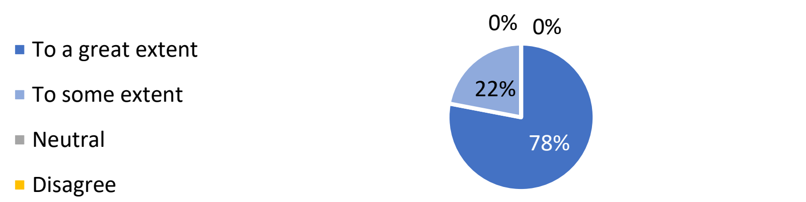
Chart 5: Factors affecting opening businesses, n=408



The suggestions that were raised by the respondents to overcome such barriers were (1) reducing the exchange rate of the dollar which is beyond our capacity, (2) provide cash that can be doable through cash for work, (3) provide raw materials and assets through asset replacement (4) access to job opportunity through job placement, (5) vocational training and (6) provide raising awareness sessions and project management training.

The majority of the survey participants (78%) agreed to a great extent to support the recommended businesses if we manage to overcome the above-mentioned challenges/ obstacles, whereas 22 percent agreed to some extent with the aforementioned statement, it is worth mentioning that none of the respondents reported neutral or disagreement. See chart 6.

Chart 6: Agreement with supporting businesses, n=408



4.3.2. Job Placement

The job opportunities were examined along with the applicability of job placement as part of supporting the value chain assessment, consequently, the survey respondents were asked to rank their opinion from one to five (where one represents very bad and five very good) on some questions. The table below consists of the statements versus answers.

Table 1: Questions versus answers on job placement, n=408

#	Questions	Answers (%)				
		Very bad	Bad	Neutral	Good	Very good
1	How would you rank job opportunities in your area?	58	40	1.5	0.5	0
2	How would you rank the need for job placement in your area	18	48	16	12	6
3	How would you rank the willingness/readiness of businesses owners to support the job placement	3	9	24	57	7
4	how would you rank the willingness/readiness of potential beneficiaries to participate/have job placement	0	0	10	46	44

For more analysis, we grouped the results into three groups where, 1,2 =bad, 3=neutral and 3,4=good, so 98 percent indicated lack of job opportunities, 66 percent acknowledged the need for job placement, also, 64 percent said the businesses owners would be ready to support such project and finally the result reveals the willingness and readiness of target population to participate in job placement as affirmed by 90 percent.

Lack of job opportunities affects the affordability of people to buy certain goods, this causes a gap in the value chain on the consumers level

4.3.2.1. Feasible Businesses for Job Placement

Regarding the areas that can be fruitful for job placement, the top four businesses indicated by the respondents were tailoring by 75 percent, barber/salon by 47 percent, mobile and computer maintenance by 34 percent and restaurant by 27 percent. More results are shown in the table below.

Table 2: Areas where job placement can be fruitful, n=408

Business	Percentage (%)
Car mechanic	4%
Pavement	8%
Plastering	8%
Blacksmithing	9%
IT	10%
Laying electrical wires	12%
Carpentry	12%
Poultry	13%
Painting	14%
Plumbing	15%
Farming	17%
Knitting	18%
Restaurant	27%
Mobile and computer maintenance	34%
Hairdressing/Salon	47%
Tailoring	75%

4.3.2.2. Factors Affecting Job Placement

The project team must consider the main factors that may affect the process or success of job placement, the findings suggest that the main barrier is the conflict of interest by 75 percent of the respondents where businesses' owners tend to not share their experience avoiding what is termed as market-based competition as part of monopoly of business. More so, the unwillingness of business owners could be a challenge as demonstrated by 28 percent and lack of relevant certificate holders as stated by 20 percent. Some other barriers were indicated by respondents as given in the below table.

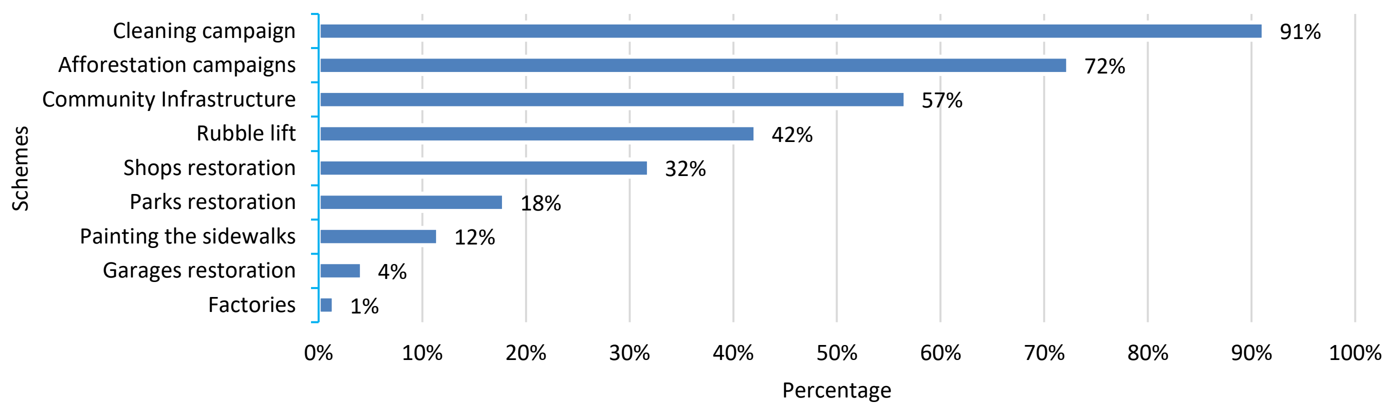
Table 3: Barriers affecting job placement, n=408

Barriers	Percentage (%)
Conflict of interest	75%
The unwillingness of businesses owners	28%
No relevant certificate holders	20%
Conflict between the community members	19%
Social customs and traditions	7%
Gender sensitivity	4%
Security	1%
Lack of need	1%

4.3.3. Cash for Work (CFW)

The cash-for-work intervention is one of the planned interventions that MH is going to implement, so, assessing the gaps in such activity may enable us to capture a comprehensive understanding of gaps of the value chain of the assessed sectors. Based on that, the interviewees were requested to determine the areas of needs that require minor rehabilitation and/or campaigns in their areas to be targeted under cash for work activities, various schemes were suggested based on a multi-selection logic including cleaning campaign by 91 percent, afforestation campaigns by 72 percent, rehabilitation for community infrastructure by 57 percent and rubble lift with a percentage of 42 percent. Further fields were also recommended for cash for work as elaborated in the chart below.

Chart 7: Areas of needs for rehabilitation/ campaigns, n=408



4.3.3.1. Availability of Laborers

Almost all participants (n=407/408), that is 99 percent agreed with the statement that there are a lot of people who are ready and in need to work as a laborer for three months under the cash for work project with an average of 16 USD as a daily wage. Furtherly, all of them (n=408/408) confirmed that there are a sufficient number of skilled laborers.

The pressing need for cash for work attributes to lack of income in the target area, this evident that there is a potential gap in the value chain on the consumers level

More so, around 97 percent of the respondents claimed that the government and local authorities would be ready to support such a project whereas a negligible percentage (3) reported the opposite.

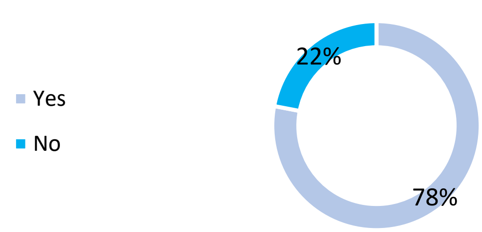
4.3.4. Link the Interventions

To contribute to the success of the project implementation, we considered linking the support of businesses, JP and CFW together would be a valid approach that can also tackle gaps in the value chains. The majority of the surveyed people went for the option of opening dairy, tailoring, pastry and cake factories.

4.3.5. External Factors that Affect Project Success

As anticipated, the dollar exchange-rate appreciation and the COVID-19 pandemic are the main factors that have affected/ or may affect the economic conditions as referred by 99 percent (n=407/408) of survey participants. Moreover, 78 percent stated that COVID-19 may affect the success of MH project implementation due to having lockdown in place and restriction of movements, while 22 percent stated that COVID-19 would not affect the project success. See chart 8.

Chart 8: COVID-19 Impact, n=408



4.3.6. Products preferences

The respondents were asked to explore their preferences between the domestic and imported products to support the results of identifying potential challenges that livelihood projects would encounter. Around 82 percent of the interviewees declared that they would prefer domestic products and they affirmed their willingness to support any domestic products suggesting considering the quality, price, availability and cleanness of products to be the same or better than the imported ones, nevertheless, there were 22 percent who preferred the imported ones due to its affordable price and quality. These findings take us to the fact that there is a gap with the producers which we should take into account when supporting businesses.

4.3.7. Mutual Support System

One of the project objectives is fostering social cohesion and reintegration among different communities as well as women empowerment and women led-cooperatives to encourage mutual support system through supporting businesses. Consequently, a question was included in the study to figure out what kind of businesses would support such sort of aspects to contribute to meeting the project objective. The most-reported businesses were sewing workshops or factory, pastry and cake lab, manufacture of frozen food and salons.

4.3.8. Disability and Female involvement

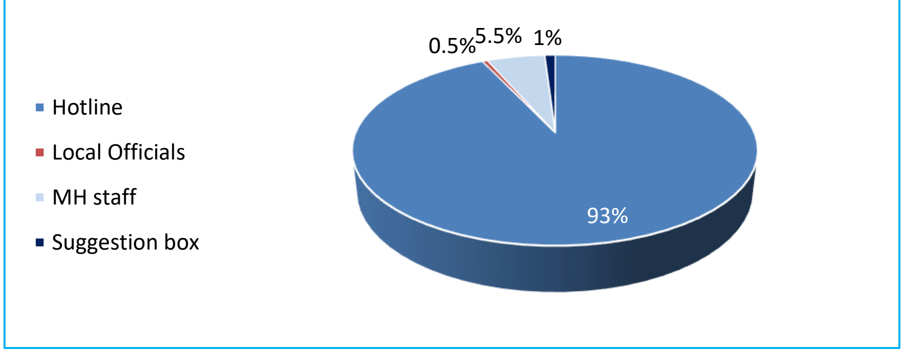
Female: The majority of interviewees (96%) welcomed the idea of involving women in the MH livelihood project, three percent were neutral and only one percent disagree with this idea.

Disability: Eighty-one percent (81%) encouraged the inclusion of people with disability (PWD) in the project, yet, 19 percent were neutral due to the fact that some people might have the impression that PWD would struggle to participate in such a project.

4.3.9. Complaints and Feedback Mechanism (CFM)

As part of mainstreaming the accountability among the MH project implementation and ensure proper consultation, information provision and feedback mechanism to the potential beneficiaries, it is essential to look into the preferred channels that the community would use based on the area context to raise their concerns/ feedback/ suggestions and comments. The results indicate that the most preferred way is the hotline as pointed out by 93 percent of respondents while seven percent selected different channels to report through as shown in chart 9.

Chart 9: Preferred CFM channels, n=408



4.3.10. Perception of Selection Criteria

The survey respondents acknowledged their trust in the MH selection standards and criteria where they expected to select beneficiaries based on a sort of aspects including vulnerability criteria, jobless youths and households, level of poverty, needs, skills and experience.

4.4. Focus Group Discussions (FGD)

The focus group discussions were carried out with the three recognized levels of the value chain which are producers, traders and consumers involving both genders to capture more analysis on the gaps and needs where we should interfere. The FGD exercise is a qualitative data collection that consolidates the quantitative data results provided through the individual survey as it gives a descriptive explanation and extensive analysis of the assessed sectors. For easier understanding, we separated findings for each level of the value chain. Queriers versus results are given in table 4,5 and 6 below and attached under the annexes section.

4.4.1. FGD with Producers

Table 4: FGD with Producers

Questions	Responses
1. What kind of support do you need to improve/expand/develop your business?	- Raw materials. - Space for training purposes. - More assets/ equipment. - Human resources/ employees.
2. What are the major constraints that keep you from increasing your profit (like, lack of money to buy production inputs and lack of money to buy equipment/ machinery, lack of storage facilities, unattractive product price, competition, etc) and explain why?	- All mentioned lack of money. - High prices of raw materials. - Shortage of raw materials.
3. Where do you sell your products (Domestic, foreign, trader, direct sale) and explain why and which one do you prefer?	- All sell their products either domestically or directly as they are the easiest ways due to limited production. - All preferred domestic way.
4. How do you see your product's quality and price compared to the imported products? If yours is more expensive and of low quality, then what do you suggest (what kind of support could help) to improve the quality and reduce the price of your products?	- All confirmed that quality determines the price. - Most of the participants suggested providing support with financial grants, raw materials and human resources which can enable them to provide products with cheaper prices and high quality.
5. What type of transport do you use for the distribution of your products, do you think you need support in that aspect?	All use rented vehicles and confirmed that they need support in this aspect, such as a motorcycle or camper van.
6. Do you take all preventive measures of COVID-19 and practice hygiene like safety nets in your business, do you think that would make consumers or traders hesitate to buy your products?	The majority of participants take all preventive measures of COVID-19 and practice hygiene. They indicated that not taking preventive measures would affect traders/consumers' willingness to buy their products.
7. What kind of businesses do you recommend to foster social cohesion and reintegration among different communities as well as women empowerment and women led-cooperatives to encourage mutual support system (for instance, sewing factory)?	- Half of them recommended a sewing factory. - The other half went for the manufacture of food production. - Sports aspect was suggested as well.
8. From your perspective, where do you see gaps or barriers in your business value chain (Producers, possessors, wholesalers, retailers, consumers) and how can we interfere to sort out these gaps?	The participants from both genders mentioned transportation, lack of sale facilities and shortage of raw materials as some of the issues in the value chains.
9. How can we integrate Cash for work and job placement with the small/medium business (SME) grants to support the value chain? Explain in detail and explore if you are interested in having a job placement in your business.	- Train youths on tailoring in a sewing factory. - A few producers were interested in having job placement in their businesses.

4.4.2. FGD with Traders

Table 5: FGD with Traders

Questions	Responses
1. What kind of support do you need to improve/expand/develop your business?	- Financial support. - Human resources. - Extra space (expansion).
2. What are the major constraints that keep you from increasing your profit (like, lack of money to buy productions and lack of staff, lack of storage facilities, unattractive product price, competition, etc) and explain why?	- Lack of money. - Competition. - High prices due to the rise in the USD exchange rate. - COVID-19 pandemic
3. What do you prefer to buy, domestic or imported products? Explain in detail why? If your preference is the imported ones, what do you suggest to support the domestic goods?	Most of the respondents selected imported products as the preferred ones due to the good quality and prices. They suggested establishing local factories and working on reducing prices and enhance the quality.
4. What type of transport do you use for the distribution of your goods, do you think you need support in that aspect?	The majority use direct sales which do not need transportation.
5. Do you take all preventive measures of COVID-19 and practice hygiene in your business, do you think that would make consumers hesitate to buy your goods?	A considerable number of participants take preventive measures of COVID-19 and practice hygiene in their businesses. Some confirmed that not taking precautionary measures would make consumers hesitate to buy their goods
6. What kind of businesses do you recommend to foster social cohesion and reintegration among different communities as well as women empowerment and women led-cooperatives to encourage mutual support system (for instance, sewing factory)?	- Sewing Factories. - Provide awareness sessions. - Pastry lab. - Dairy. - Beautification salons.
7. From your perspective, where do you see gaps or barriers in your business value chain (Producers, possessors, wholesalers, retailers, consumers) and how can we interfere to sort out these gaps?	The high price is the main gap in the value chain that keeps consumers from buying goods. The way to overcome this issue is by reducing prices.
8. How can we integrate Cash for work and job placement with the small/medium business grants to support the value chain? Explain in detail and explore if you are interested in having a job placement in your business?	- Awareness sessions. - Vocational training. - Sewing factory. - Livestock and poultry. - Establish small businesses. - Less than a half of participants were interested in having job placement

4.4.3. FGD with Consumers

Table 6: FGD with Consumers

Questions	Responses
1. What is your preference between domestic and imported products? If your preference is the imported ones, what do you suggest supporting the domestic products?	All prefer domestic products. They suggested having some support in raw materials, financial, and provide quality control system which can be understood as referring to improve the quality of the domestic products.
2. What are the major constraints that keep you from buying the domestic products (like, expensive, bad quality, availability, quantity, safety, etc) and explain why?	- High prices. - Availability; no sufficient quantity. - Unsafe products due to the bad storing methods. - Poor quality
3. What kind of dairy/foods/ industry products you consume/ buy and; it is not domestically produced? It is available but not sufficient, quantity needs to be increased. It is expensive, the price needs to be reduced. It is not safe, not healthy. Lack of quality	Not domestically produced: Clothing Not sufficient: Dairy and meat Expensive: Agriculture products Not safe/ not healthy: None Lack of quality: Clothing
4. How do you see domestic products' quality and price compared to the imported products? If the local products are more expensive and of low quality, then what do you suggest (what kind of support could help) to improve the quality and reduce the price of products.	Domestic products are more expensive than the imported ones. They suggested providing more support towards agriculture and reduce imported products as well as showing more importance to the domestic products.
5. Do you consider the COVID-19 when buying products? Does it affect your willingness if you feel that a product is not produced in a good healthy environment? - where do you buy your daily food from market, mall, or bazaar - Do you prefer buying any products pack and labeled food due to pandemic?	- Some said that COVID-19 affects the willingness if any product is not produced in a good and healthy environment. - They do not put into their consideration buying pack and labeled food
6. Where do you buy your daily food from market, mall, or bazaar	Most people buy their food from bazaar and local markets.
7. Are there any agriculture and livestock products that you ordering from rural areas (village eggs, fresh milk, dairy products, honey, tahin sesame seeds, cereals and its products (flours, bulgur, etc.)?	All acknowledged ordering livestock and agriculture products

8. Do you buy any food from the street vendors (such as fruit, vegetables, dairy products, etc)	All answered as "Yes"
9. What kind of businesses do you recommend fostering the social cohesion and reintegration among different communities as well as women empowerment and women led-cooperatives to encourage mutual support system (for instance, sewing factory)	- Sewing factory. - Beautification salons. - Manufacture of pastry and cake. - Dairy lab.
10. From your perspective, where do you see gaps or barriers in dairy, food production and industry businesses value chain (Producers, possessors, wholesalers, retailers, consumers) and how can we interfere to sort out these gaps	- Traders should pay more attention to storage methods and check the expiry date of products. - Producers should provide more quality control. - High prices of the products.
11. How can we integrate cash for work and job placement with the small/medium business grants to support the value chain? Explain in detail and explore if you are interested in participating in the job placement and/or cash for work projects.	- Sewing factory. - Beautification salons. - Manufacture of pastry and cake. - All were interested in participating in the job placement and/or cash for work projects.

4.5. Key Informant Interviews (KIIs)

The key informant interviews results brought detailed information about the target area context, the findings from the eight KIIs conducted were compiled and presented in the narrative. Questions versus answers are given in the below table.

Table 7: KIIs Findings

Question	Response
1. What kind of support do businesses in your area (dairy, food production, industry businesses) need to be improved/expanded/developed?	Dairy: open a small dairy lab, support the rehabilitation of al-Taj factory for dairy, transportation, provide milk through livestock and increase the productivity of dairy through supporting people in this sector. Food production: Assets and materials as well as agriculture like grocery, open a frozen food factory, open restaurant, and manufacture of pastry and cake Industry businesses: raw materials, support PVC factory, carpentry factory and sewing factory
2. What are the major constraints that keep businesses in your area from increasing their profit (like, lack of consumers, lack of money to buy productions and lack of staff, lack of storage facilities, unattractive product price, competition, etc) and explain why?	- Lack of money. - Lack of staff. - The abundance of imported products. - Poverty - Lack of storage facilities
3. What do you think people in your area prefer to buy, domestic or imported products? Explain in detail why?	They prefer imported productions, yet, they would choose domestic ones if prices can be affordable and the quality is high.

	If their preference is the imported ones, what do you suggest supporting the domestic products	Participants suggested support/ develop the domestic products to be abundant with affordable price and high quality.
4.	How do you see your area products' quality and price compared to the imported products? If your area is more expensive and of low quality, then what do you suggest (what kind of support could help) to improve the quality and reduce the price of your products.	The quality and price of imported products are better than the domestic ones. Support domestic products so that they can have a lower price and higher quality especially dairy, livestock, agriculture and food production
5.	What kind of dairy/foods/ industry products do people in your area consume/ buy and; it is not domestically produced. It is available but not sufficient, quantity needs to be increased. It is expensive, the price needs to be reduced. It is not safe, not healthy. Lack of quality.	Not domestically produced: frozen chicken, cream, sweets, some pastries, tomato paste, grocery, legumes, rice, oil, detergents, burger and clothes Not sufficient: Yogurt, butter, cheese, eggs, milk, cake, and bread Expensive: Frozen chicken, detergents, legumes, grocery Not safe/ not healthy: Frozen foods Lack of quality: Grocery and frozen foods
6.	Do you think that community purchasing decision differ if the preventing measure and practice of hygiene is not in the place? Do they buy domestic products?	Does not differ since people are not considering COVID-19 preventive measures nor hygiene practices. They buy domestic products
7.	From your perspective, where do you see gaps or barriers in your area businesses value chain (Producers, possessors, wholesalers, retailers, consumers) in particular in the dairy, food production and industry businesses and how can we interfere to sort out these gaps	- Lack of domestic products (producers) - Lack of sale facilities - Lack of experience in marketing the domestic products Solutions: - Increase sale facilities - Support domestic products - Open factories
8.	How can we integrate cash for work and job placement with the small/medium business grants to support the value chain? Explain in details and explore if you feel that your area producers and traders are interested in having job placement in their business, more so report if people in your area are interested in participating in the job placement and/or cash for work projects.	Select cash for work schemes that can be useful for businesses and markets like rehabilitation of damaged businesses facilities/ factories not focusing only on afforestation and cleaning campaigns. People suffer from poor life conditions and they would be happy to participate in job placement and or cash for work interventions
9.	What kind of businesses do you recommend to foster the social cohesion and reintegration among different communities as well as women empowerment and women led-cooperatives to encourage mutual support system (for instance, sewing factory)	- Involve women - Provide workshop courses in sewing, salons, pastry and making cake. - Open frozen food factory - Open poultry

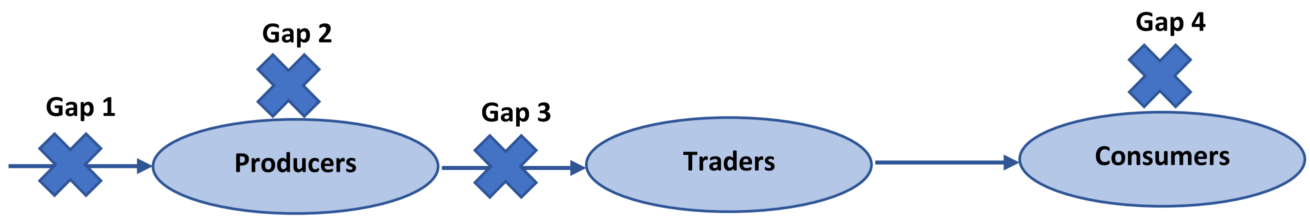
4.6. Gaps in the Value Chains

The main purpose of this exercise is to assess gaps and needs in the value chains of the dairy, food production and industry based on Shirqat district context. This chapter will explain detailed information on gaps and suggestions to tackle them based on the individual survey, FGDs and KIIs results.

4.6.1. Dairy

Dairy is one of the daily consumption foods, therefore, it was included in the value chain study. The findings demonstrate various gaps in the value chain of dairy as shown in diagram 1 below with details.

Diagram 1: Dairy value chain gaps



Gap 1: Lack of milk (raw material).

Gap 2: Shortage of products.

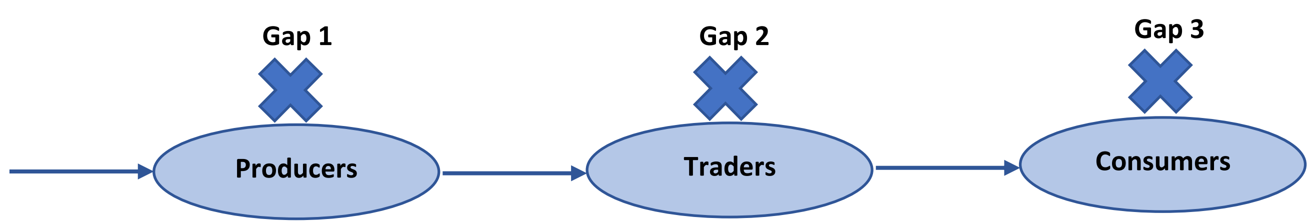
Gap 3: Challenges in transporting products.

Gap 4: Lack of money, this gap affects the ability of consumers to afford buying such products.

4.6.2. Food Production

Food production refers to any product that can be eaten including meat, pastry, legumes, grocery, bread, cake, frozen food, oil, and so on. The below diagram presents the main gaps in the food production value chain.

Diagram 2: Food production value chain gaps



Gap 1: Poor quality, high prices of domestic food products**,** lack of domestic products**,** as well as assets and materials.

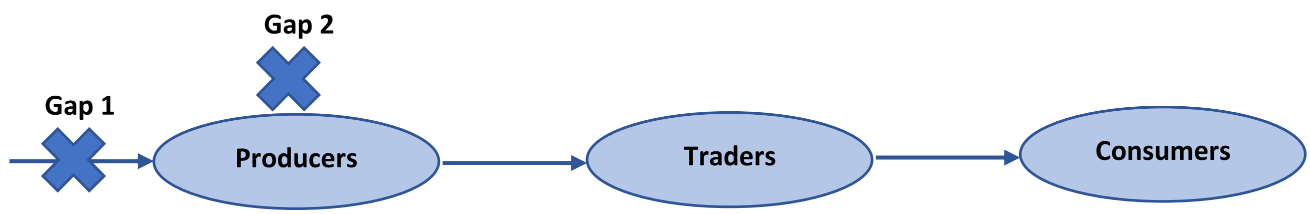
Gap 2: No marketing for domestic products and abundance of imported ones and lack of storage facilities.

Gap 3: Lack of demand due to lack of money.

4.6.3. Industry

Industry businesses include sewing, carpentry, blacksmithing, PVC factory, detergent factory and so on. It is worth mentioning that barriers in the industry is less comparing with dairy and food production. Diagram 3 reflects the place of gaps throughout the value chain of the industry.

Diagram 3: Industry value chain gaps



Gap 1: Shortage of raw materials and its high price, particularly in wood and iron.

Gap 2: Lack of productivity in clothes and high price of detergents sector and absence of domestic products.

Gap 2: Marketing experience.

5. Conclusion and Recommendation

Triangulation of the individual survey, FGDs and KIIs results reveals a pressing need for livelihood support in the target community where lots of jobless people are looking for any slot to find a job opportunity either through SME, JP or CFW to improve their living conditions and enhance the income.

The key informants acknowledged the failure of community members and business owners to adhere to the COVID-19 precautionary measures while the results from FGDs indicated the opposite, this leads us to the fact that people are not taking precautionary measures, yet, they feel embarrassed to spell it out.

There are some barriers in the value chain of dairy, particularly with raw input (milk), producers and consumer levels.

As for food production, there are gaps in all levels of the value chain which are producers, traders and consumers.

Regarding Industry, two gaps were realized in the value chain, the first one with the raw materials and the second with producers that is lack of products

In other words, all the assessed sectors have a lack in the products, also, dairy and industry have a gap with raw materials, and finally, there is a gap with consumers side due to lack of money and poor living conditions.

The project team should pay more attention to dairy and food production rather than industry apart from a few industry-businesses such as sewing and detergent factories.

5.1. Recommendation

the recommendations were concluded from the results, see the table below

Table 8: Results versus recommendation

#	Sector/ Result	Recommendation
1	Supporting Small and Medium Enterprises. It is worth mentioning that the most reported businesses/sectors that the area needs were dairy by 65 percent of the respondents, tailoring by 58 percent, bakery by 51 percent, salon for female by 35 percent, grocery by 34 percent, barber for male by 32 percent, 30 percent restaurant, and pastry and cake production by 26 percent where the main barrier that keeps these sectors from success is the current economic downturn	Consider supporting the following; - Dairy. - Tailoring. - Bakery. - Salon for female or male. - Grocery. - Restaurant. - Pastry and cake production.

2	The biggest barrier that stands against opening/ supporting businesses was the current economic downturn as indicated by 86 percent of the respondents, followed by lack of demand due to lack of money by 48 percent, and lack of raw materials by 37 percent.	Support domestic products whose raw materials has nothing to do with USD exchange-rate such as livestock, poultry, agriculture, pastry and cake production
3	Conflict of interest is one of the biggest challenges against implementing job placement and even in supporting SMEs	Provide raising awareness sessions to the community and encourage information sharing and knowledge to contribute to reviving the economic condition.
4	Job placement, there were some sectors recommended where job placement can be useful, including; tailoring by 75 percent, hairdressing/ salon by 47 percent, mobile and computer maintenance by 34 percent and restaurant by 27 percent. The data analysis suggests that the main factor that may affect job placement intervention is the conflict of interest by 75 percent of the respondents where businesses' owners tend to not share their experience or knowledge with aim of avoiding what is termed as market-based competition as part of monopoly of business	Take into account the following fields; - Tailoring - Hairdressing/ salon - Mobile and computer maintenance - Restaurant
5	CFW, various schemes were suggested as areas that require minor rehabilitation and/or campaigns to be targeted under the cash for work, including cleaning campaigns by 91 percent, afforestation campaign by 72 percent, community infrastructure by 57 percent, rubble lift by 42 percent and market facilities restoration by 32 percent	It is recommended to consider the following schemes. - Cleaning campaigns - Afforestation campaign - Community infrastructure - Rubble lift - Market facilities restoration
6	Link SME support with JP and CFW	- Rehabilitate businesses/ factories facilities through cash for work, then support people with SME and then engage job placement with these businesses. - Cleaning campaign for streets so that people can access some businesses facilities and that would encourage opening new businesses in the target area which will lead to job placement opportunities
7	The preferred channels that the community would use based on the area context to raise their concerns/ feedback/ suggestions and comments is the hotline approach as reported by 93 percent.	The project team should consider putting feedback mechanism in place using hotline number for queries and concerns throughout the project implementation
8	Foster social cohesion, reintegration, and women empowerment	- Support cooperative businesses - Conducting workshops and courses - Encourage any kind of businesses that bring people together. - Supporting factories.
9	The survey respondents acknowledged their trust in the MH selection standards and criteria where they expected to select beneficiaries based on a sort of aspects including vulnerability criteria, jobless youths and households, level of poverty, needs, skills and experience	The perceptions of people of the target area should be met when selecting beneficiaries to strengthen the fact that MH is taken into consideration community engagement and consultation during project design and implementation.

10	Non-compliance with the COVID-19 preventive measures	Conduct orientation session and provide IEC materials on COVID-19 precautionary measures to the potential beneficiaries to avoid exposing them to businesses closure by local authorities/government
11	Lack of money, rising prices, competition, USD exchange rate appreciation, and COVID-19 pandemic kept businesses owners from increasing their profits	It is recommended to support businesses that provide the essential goods/ or daily consumption products to avoid the failure of businesses.
	The majority of people in the target area would prefer domestic products rather than the imported ones, with the condition of enhancing the quality, reduce the price, make it sufficient (increase the productivity) as emphasized by 82 percent of respondents.	Support the domestic products through - Improve the quality. - Increase the productivity - Reduce the price
12	Lack of raw inputs for dairy along with lack of productivity	- Support livestock/ poultry businesses. - Open dairy factory - Support the rehabilitation of al-Taj factory for dairy in Shirqat. - Provide assets and equipment. - Support in-house dairy production.
13	Transportation constraints with the dairy and food production value chains	- support dairy and food production businesses owners with vehicles/ motorcycle/ or camper van
14	Lack of experience in the assessed value chain sectors and human resources	- Suggest providing comprehensive training/ coaching on the respective sector/ businesses. - Supporting businesses with job placement.
15	High price and shortage of raw materials of some businesses	- Avoid supporting businesses that need unavailable/ high price raw materials
16	Pressing need to increase food products	It is recommended to support the following businesses in the food production sector. - Pastry and cake production. - Manufacturing of Frozen food. - Restaurant - Agriculture - Provide assets and equipment. - Bakery. - Egg and meat production (livestock)
17	Lack of storage facilities	Support businesses expansion
18	Lack of demand due to lack of money and income is one of the constraints in the value chain of assessed sectors, particularly, on the consumers level	Implement job placement and cash for work interventions would increase the income and revive the living condition of people so that they can buy products they need
19	Lack of marketing experience	Proper coaching on business management and marketing should be delivered when opening new factories/ SMEs
20	An obvious gap in the industry products	- Open clothes factory. - Open detergent factory. - Open PVC factory.

21	Female inclusion was encouraged as stated by 96 percent of participants, whereas, 81 percent agreed with the disability involvement in the project activities	Involve women and PWDs is highly recommended

6. Annexes

FGDs

FGD with Consumers.docx

FGD with Producers.docx

FGD with Traders.docx

KIIs

Key Informant Interview.docx

HHs Survey Questionnaire

Household Survey_Value Chain

List of Respondents' Contact Details

Respondents contact details.xlsx

Magdalena Penninger

Regional Coordinator NI

HyunKyung Park

Programme Analyst Hyun Kyung Park