



Rapid Market Assessment in Heet District, Anbar Governorate

August 2021



OPTIMUM ANALYSIS

Established in 2019, Optimum Analysis is a research company that operates throughout the Middle East. Its mission is to make a contribution to improving humanitarian and development programming, positively impact economic development, and build the capacity of national researchers. By combining the technical skills of international staff with the contextual knowledge of national researchers, and adhering to international standards for social science, Optimum Analysis is able to ensure that the highest quality data and analysis is being delivered. Core services include research design, data collection, and analysis, and report writing.



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DISCLAIMER

This report was produced under the United Nations Development Programme's Iraq Crisis Response and Resilience Programme (ICRRP) with the generous funding from the German Federal Ministry for Economic Cooperation and Development (BMZ), provided through KfW Development Bank. The study/assessment was commissioned to Optimum Analysis through a partnership with Caritas Czech Republic. The views expressed in this publication are those of the author(s) and do not necessarily represent those of the United Nations, including UNDP and the UN Member States.

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ACKNOWLEDGMENT

The support and assistance of Caritas Czech Republic staff in Iraq were crucial for the successful completion of this assessment. Caritas Czech Republic staff developed the data collection tools, collected the data, and provided input on the report. In specific, Optimum Analysis would like to express its gratitude to the following Caritas Czech Republic staff for their support.

- **Natek Aldarwosh**
Monitoring and Evaluation Specialist
- **Joshua Zakary**
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Optimum Analysis would like to extend its gratitude to community members, business owners and other stakeholders in Anbar governorate, who gave their time and shared their experiences to enable this report to be written.

Team Structure

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ABBREVIATIONS

BMZ	German Federal Ministry for Economic Cooperation and Development
CCR	Caritas Czech Republic
CfW	Cash for Work
FGD	Focus Group Discussion
HH	Household
IDP	Internally Displaced Person
KII	Key Informant Interview
NGO	Non-Government Organisations
PwD	Person with Disability
UNDP	United Nations Development Programme
UN-Habitat	United Nations Human Settlements Programme



EXECUTIVE SUMMARY

Introduction

Decades of recurring violence and political instability in Iraq have resulted in one of the worst humanitarian crises in the world. Populations living in governorates affected by the 2014-2018 conflict with the Islamic State In Levant (ISIL) have been faced with disruptions of all aspects of their lives, including access to health care, education, and livelihood opportunities. Since 2020, moreover, Iraq's economy has suffered the implications of a double crisis: an unprecedented decrease in oil export revenues coupled with the devastating impact of the public health measures imposed by the government to control the spread of COVID-19. This has resulted in a considerable increase in the number of people in need of livelihood assistance.

Anbar governorate is among the most heavily affected by the 2014-2018 conflict. Once known as the breadbasket of Iraq, the country's largest governorate has seen its infrastructure largely destroyed. Agriculture, in particular, was used by IS as a weapon of war, causing immense damage to the sector.

In August 2021, Caritas Czech Republic (CCR) commissioned Optimum Analysis to write this Rapid Market Assessment report based on data collected by CCR from community members, business owners and stakeholders in Heet district. The main objective of the assessment is to feed into the design of the specific livelihood activities that are to be implemented by CCR under the "*Sustainable Livelihoods & Economic Recovery in Heet, Anbar, Iraq*" project.

The Labour Force

In total, 396 community members participated in the household (HH) survey conducted by CCR in five subdistricts in Heet governorate, namely Heet Center, Baghdadi, Al Furat, Kubaisa, and Al Mohamadi. The majority of respondents were men (83%).

Although most HHs in the sample relied on income obtained through work, nearly all HHs had at least one member over 18 years old who was unemployed at the time of data collection. Employment affected men and women of the sampled HHs similarly and was primarily caused by a lack of job opportunities. However, unemployed women in the sample would often not be part of the labour force at all. This is due to the tribal nature of the society in Heet and conservative norms according to which women are still primarily perceived as homemakers.

Key factors for employability were available capital, work experience, and qualifications. However, in the case of women, the availability of more jobs considered suitable for women (i.e. jobs that are not mixed gender) was of particular importance.

Vocational training opportunities were largely unavailable in Heet district, with the closest government-run vocational training centre being located in Ramadi district. A few private institutions, however, were reported to offer a limited variety of vocational programmes. However, most of the respondents who had received vocational training did not find employment upon completion of their training. This indicates weak links between the available training programs and the sought-after skills in the labour market.

Market Opportunities

Within the private sector in Heet district, the agriculture, retail, and construction sector employ the highest number of people. For women, however, most of the available jobs are in beauty salons or sewing stores.

To acquire information on the existing businesses in Heet district, CCR conducted a market observation survey targeting a total of 286 businesses in four subdistricts. Generally, the surveyed businesses were small in terms of the number of employed staff. However, the businesses represented a variety of sectors, confirming the relatively diverse availability of markets and stores where community members can procure the goods and services they need.



Both respondents of the HH survey and participants in qualitative interviews displayed a high willingness to open their businesses. Lack of capital was described as the main obstacle to entrepreneurship. This is likely in part because microfinance opportunities in Heet are scarce.

Lastly, vocational training and finance support were identified as the types of support most likely to increase respondents' chances of becoming employed/starting a business.

Recommendations:

- Design inclusive Technical and Vocational Training and Programmes with a special focus on the agriculture, retail, and construction sectors in collaboration with relevant stakeholders from the private and public sectors. Integrate on-the-job training into each training programme.
- Develop job placement mechanisms in collaboration with relevant stakeholders and regional government representatives, linking trainees with existing businesses in the area.
- Organise awareness campaigns promoting women's participation in the labour market. Provide counselling sessions to women participating in project activities and their families, focusing on the benefits of women's employment.
- Create inclusive micro-entrepreneurship programs linked with start-up financing, placing particular focus on women interested in entrepreneurship.
- Support the establishment of a limited number of peer-to-peer lending groups to provide loans for start-ups. Ensure proper oversight of the activity to ensure the commitment of participants. Such lending models, including Care International's Village Savings and Loan Associations and Oxfam's Rotational Savings and Credit Associations, could be linked with existing financial institutions to improve their sustainability.





1. INTRODUCTION

Decades of recurring violence and political instability in Iraq have resulted in one of the worst humanitarian crises in the world. Populations living in governorates affected by the conflict with the Islamic State (IS) have been faced with disruptions of all aspects of their lives including access to health care, education, and livelihood opportunities.

Since 2020, moreover, Iraq's economy has suffered the implications of a double crisis: an unprecedented decrease in oil export revenues coupled with the devastating impact of the public health measures imposed by the government to control the spread of COVID-19.¹ This has resulted in a considerable increase in the number of people in need of humanitarian assistance. The 2021 Humanitarian Needs Overview for Iraq estimates that over 3.4 million Internally Displaced Persons (IDPs) and returnees across Iraq need livelihoods assistance, which represents an increase of 41% compared to 2020.²

Anbar governorate is among the most heavily affected by the 2014-2018 conflict with IS. Once known as the breadbasket of Iraq, the country's largest governorate has seen its infrastructure largely destroyed.³ The agricultural sector, in particular, has suffered immense damage. During its presence in Iraq, IS utilized agriculture as a weapon of war by looting harvests and agricultural equipment, sabotaging storage facilities and poisoning land as a form of collective punishment.⁴ The consequences of this include loss of a significant number of livestock and the destruction of irrigation systems, among others. Moreover, agricultural plots were, in some cases, deliberately contaminated with explosive ordnance to cause further harm and deprive people of their sources of income.

To address the above challenges, UNDP launched the "*Sustainable Livelihoods & Economic Recovery in Heet, Anbar, Iraq*" project in partnership with Caritas Czech Republic (CCR) in May 2021. Funded by the German Federal Ministry for Economic Cooperation and Development (BMZ) with the total amount of 5,4 million EUR, the project aims to "*facilitate recovery and enhance resilience of vulnerable communities by providing short and medium-term employment opportunities to (young) men and women*". CCR intends to achieve this through the following outputs:

- A rapid market assessment (this document).
- A value chain analysis.
- Skill development of 2,600 cash for work beneficiaries through short-term training.
- Community rehabilitation infrastructure through cash for work.
- Provision of business support to 705 vulnerable community members (40% women).
- Job placement targeting 50 vulnerable community members (40% women).

The initiative is planned to be implemented over the span of 14 months, until June 2022.

In August 2021, CCR commissioned Optimum Analysis to write this Rapid Market Assessment report based on data collected from community members, business owners and stakeholders in Heet district. The main objective of this assessment is to feed into the design of the specific livelihood activities that are to be implemented under the "*Sustainable Livelihoods & Economic Recovery in Heet, Anbar, Iraq*" project.

¹ OCHA. 2021. *Iraq Humanitarian Needs Overview 2021*. Available at: <https://reliefweb.int/sites/reliefweb.int/files/resources/Iraq%20Humanitarian%20Needs%20Overview%20%28February%2021%29.pdf>.

² Ibid.

³ FAO (2018) Iraq Restoration of Agriculture and Water Systems Sub-Programme: 2018–2020. Available at: <http://www.fao.org/3/ca1511en/CA1511EN.pdf>.

⁴ Ibid.



2. METHODOLOGY

Based on the objectives for this assignment, a mixed-methods research approach was utilised, which is outlined in the table below.

Table 1. Methodology

Method	Source/Respondents	Quantity
Preliminary Research		
Desk Review	Relevant secondary literature on livelihoods and business opportunities in Heet district, Anbar governorate.	N/A
Research Methods		
Key Informant Interviews (KIIs)	Heet District <ul style="list-style-type: none"> Government officials and other stakeholders (19 in total) 	19 in total
Focus Group Discussions (FGDs)	Heet District <ul style="list-style-type: none"> Business owners (6 in total) Community leaders (6 in total) Women (6 in total) Youth (1 in total) 	19 in total
Household Survey	Heet District <ul style="list-style-type: none"> Al Baghdadi subdistrict (80 surveys) Al Furat subdistrict (70 surveys) Al Kubaisa subdistrict (45 surveys) Al Mohamadi subdistrict (36 surveys) Heet Centre subdistrict (165 surveys) 	396 in total
Market Observation Survey	Heet District <ul style="list-style-type: none"> Al Baghdadi subdistrict (67 surveys) Al Furat subdistrict (27 surveys) Al Kubaisa subdistrict (25 surveys) Al Mohamadi subdistrict (46 surveys) Heet Centre subdistrict (114 surveys) 	279 in total

2.1 DESK REVIEW

A comprehensive desk review of secondary literature on livelihoods and markets in Anbar governorate was conducted by Optimum Analysis' Lead Researcher to increase her understanding of the local context. The results of this review were used to help interpret the results of the qualitative and quantitative data analysis.

2.2 RESEARCH PHASE

2.2.1 QUALITATIVE INTERVIEWS

Qualitative interviews were deemed highly appropriate for this study as they are expected to provide rich and in-depth information considering the context and objectives of this study. Qualitative interviews are especially useful to gain an understanding of underlying reasons, opinions, and motivations among a group of people with regards to the topic under research. Qualitative interview guides were developed by CCR. In

Key Informant Interviews: KIIs are an effective method to access a population of stakeholders who have first-hand knowledge about the researched topics. For this study, selected KII respondents were assumed to have in-depth knowledge about barriers to education for persons with disabilities.

Focus Group Discussions: FGDs allow for nuanced and open-ended responses to difficult questions, eliciting more information on attitudes, perceptions, and experiences that otherwise cannot be obtained by a quantitative survey.



addition, all KIIs and FGDs were conducted by the CCR team. After completion of the KIIs and FGDs, the data was submitted to Optimum Analysis.

2.2.2 QUANTITATIVE DATA

A random household survey was conducted with community members in five sub-districts of Heet district. The questionnaire, which included skip logic was developed based on the objectives of the assessment. Moreover, an enterprise survey was conducted, aiming to identify existing businesses in the targeted subdistricts, as well as to determine some of their characteristics, including their size and the sectors which they represent. The household survey and market observation survey were designed by CCR. In addition, all surveys were completed by the CCR team and CCR conducted quality control on incoming data. After the data was collected and cleaned, the full dataset was submitted to Optimum Analysis.

2.3 ANALYSIS PHASE

After all qualitative data was received by Optimum Analysis, the Lead Researcher first read through each interview to gain a holistic overview of the perceptions and attitudes of the respondents towards the research questions. Then, the data was organized into themes and sub-themes, allowing the Lead Researcher to structure the data in line with the objectives of the assessment. After the data was organized and coded, it was possible to systematically draw out key findings and quotes.

After receiving all quantitative data, it was analysed using STATA statistical software. STATA is a complete, integrated statistical software package that provides options for data manipulation, visualization, statistics, and reproducible reporting. The analysis focused on identifying the most significant findings as they related to the objectives of the assessment. For this, the Lead Researcher made use of descriptive statistics, t-tests, chi-square tests, and other inferential statistical tests appropriate to the variables under review.

2.4 LIMITATIONS

There are several limitations to this research including:

- Data for this research had to be collected in a very short time span, thereby putting pressure on the CCR research team to conduct high numbers of interviews and surveys each day of data collection. The time pressure faced by the CCR research team limited opportunities for them to conduct quality control on incoming data.
- The qualitative interview guides contained a high number of questions, making the interviews relatively long in duration. As a consequence, respondents became less engaged towards the latter part of the interview, giving shorter and shorter answers.
- Many of the interviewed respondents experienced difficulties answering the questions as their knowledge on the topics under review was limited. This was unexpected and surprising since the selected stakeholders were chosen because they were assumed to have in-depth knowledge on the topics under review.
- The CCR enumerators and field monitors faced several challenges during the Household Survey. On one hand, the communities in the targeted areas were very conservative and most of the households were not comfortable sharing certain information (Household information, sources of economic inputs, Social harmony). While on the other hand there were many female respondents who did not agree to answer the survey's questions and asked for a male member from the household to respond regardless of the gender of the enumerator.

However, CCR predicted this would be an issue and prepared a sample list containing up to 40% female names to be called via phone. Unfortunately, the CCR enumerators faced almost the same issue with the majority of female respondents not accepting the survey and handing the phone to



the male household member. This indicated a lack of trust and confidence with NGOs regarding sharing personal information and especially among female populations.

The above three challenges resulted in a situation in which the data collected through qualitative interviews lacked detail. More specifically, answers to open-ended questions generally only constituted few words or one or two sentences maximum. Answers given by FGD respondents, moreover, were not broken down per respondents. As such, it was not possible in FGDs with business owners to determine which business owner answered which question, making it impossible to draw conclusion about specific sectors/subsectors that are promising or saturated.

Some of the given answers, moreover, indicate that the interviewer and respondent did not fully understand the question. In this regard, it should be noted that the CCR team delivered a two-day training to the researchers prior to the start of data collection. However, this did not fully prevent some confusions about few questions.

For the quantitative data, the limited time to collect the data also had an impact. After data collection was finished, for example, it was revealed that a small number of questions had only been asked to a very small number of respondents. These questions were excluded from the analysis to prevent any inaccuracies in the analysis. Furthermore, the survey did not ask about certain topics that would have been of interest. For example, no question was included to determine the gender of the household head in the sample when respondents were not the head of their household. This made it impossible to identify trends between male- and female-headed households within the sample.



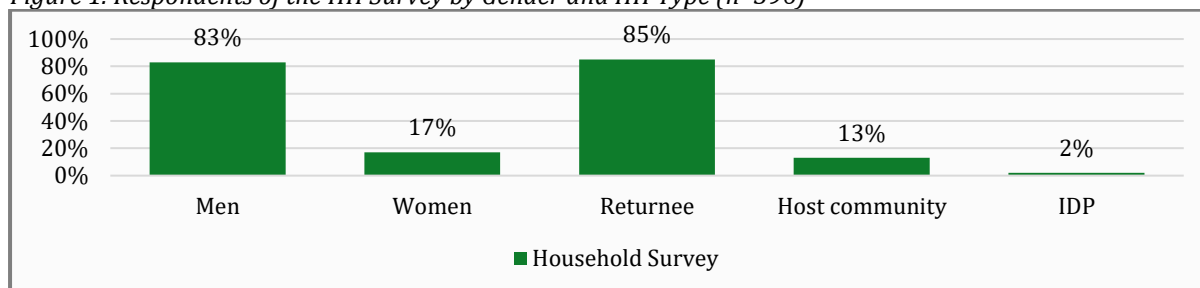
3. LABOUR FORCE

This section provides an overview of the main characteristics of the labour force in Heet district. The following analysis is done utilising data from the household (HH) survey and the qualitative interviews conducted for this assessment

3.1 DEMOGRAPHICS

A total of 396 community members partook in the household survey conducted by CCR in five subdistricts in Heet governorate, namely Heet Center (42%, n=165), Baghdadi (20%, n=80), Al Furat (18%, n=70), Kubaisa (11%, n=45), and Al Mohamadi (9%, n=36).

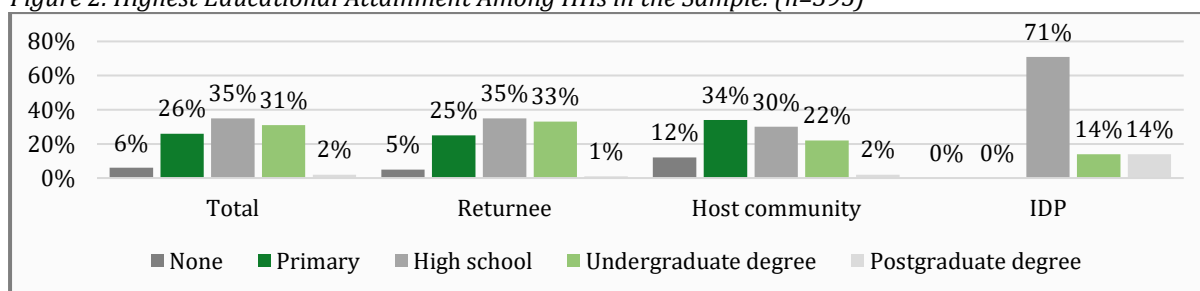
Figure 1. Respondents of the HH Survey by Gender and HH Type (n=396)



As shown in figure 1, the majority of the respondents of the HH survey were men. In terms of HH type, most respondents were returnees (85%, n=338), followed by host community members (13%, n=50). Most than half of the respondents were aged between 18 and 29 years old (62%, n=246). The remainder were 30-39 (27%, n=106), 40-49 (9%, n=34), 50-59 (1%, n=5), and under 18 (1%, n=5) years old.

50% (n=198) of respondents were married and 47% (n=187) were single. The remainder were widowed (2%, n=7) or divorced (1%, n=4). Moreover, 68% (n=270) of the respondents of the survey were the head of their HH.⁵ In line with expectations, male respondents (70%, n=229) were more likely to be the head of their HH compared to women (59%, n=41). On average, a HH within the sample consisted of eight members (range: 2-24). Among them, there were an average of five adults and three children.⁶ Respondents were also asked if any of the members of their HH had a disability that impacted their daily life. 23% (n=90) of respondents responded to this question affirmatively.⁷

Figure 2. Highest Educational Attainment Among HHs in the Sample. (n=395)



Respondents were also asked about the highest educational level attained among the members of their HH. Overall, educational attainment at the HH level was relatively high. (See: Figure 2) Returnee HHs tend to present higher educational attainment compared to IDP and host community HHs. Across,

⁵ Since respondents who were not the head of their HHs were not asked about the gender of the head of their HH, not all data can be disaggregated based on the gender of the HH head.

⁶ It should be noted that the data presents certain inconsistencies in terms of the answers provided to questions on HH size. For instance, in the case of seven observations, the data suggests that no adult members live in these HHs. At the same time, all respondents interviewed for those observations were themselves over 18 years old according to the records. Similarly, in another case a respondent under 18 years old reported that no people under 18 lived in their HH.

⁷ HHs with one Person with Disabilities (PwD): 19% (n=74); HHs with two PwDs: 3% (n=13); HHs with three PwDs: 1% (n=3).



gender, no considerable differences were found among the observations in which data on the gender of the HH head is available. However, members of female-headed HHs (15%, n=6) were twice more likely to have attained no education at all compared to male-headed HHs (7%, n=16).

68% (n=268) lived in their own property (68%, n=268), followed by those who lived in rented property (29%, n=116). Across HH type, IDPs were significantly more likely to live in rented housing (86%, n=6) compared to host community members (26%, n=13) and returnees (28%, n=96) (p<0,01). Moreover, respondents were also asked if they share the accommodation in which they live with another family. Approximately a third answered affirmatively, without considerable differences between HH types. Interestingly, male-headed HHs in the sample (37%, n=85) were much more likely to be sharing the accommodation in which they live compared to female-headed HHs (22%, n=9), and this difference was statistically significant (p<0.05).

In addition, respondents were asked whether their HH owned any of the following assets: agricultural land, agricultural equipment, livestock, and/or a motorbike. The majority of them (80%, n=316) did not own any of the above.

3.2 EMPLOYMENT

3.2.1 LIVELIHOODS AND INCOME

Respondents were asked to name the economic inputs for their HH over the three months previous to data collection. (See: Figure 3) According to the data, most HHs in the sample rely on work (67%, n=267) and retirement pensions (30%, n=119). IDPs were significantly more likely to rely on debt (p<0.05). They were also more likely to rely on support from family/friends, but that difference was not statistically significant.

Figure 3. Economic Inputs Among HHs in the Sample (n=396)

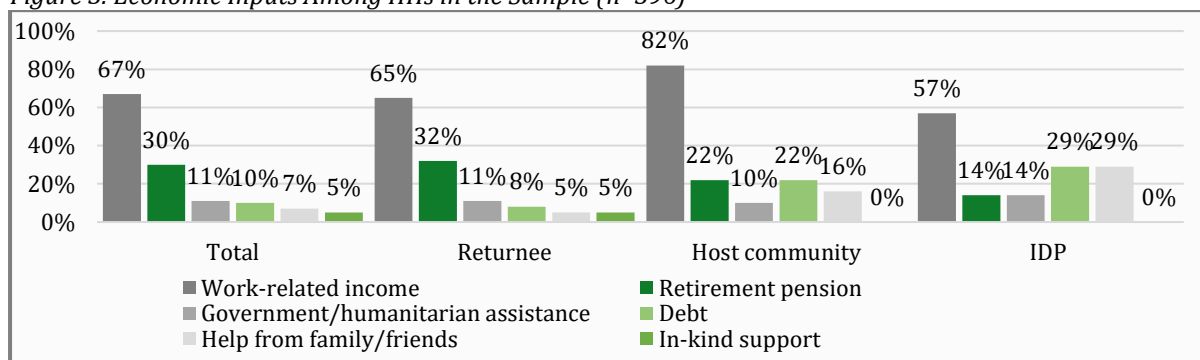
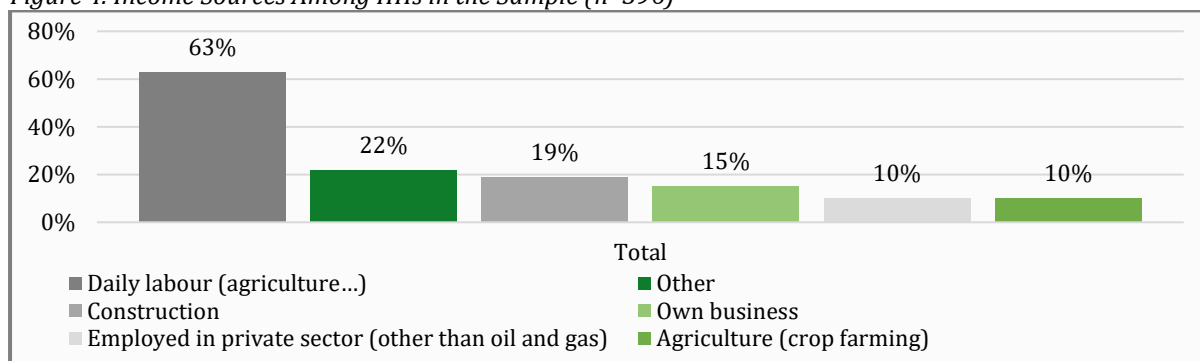


Figure 4. Income Sources Among HHs in the Sample (n=396)

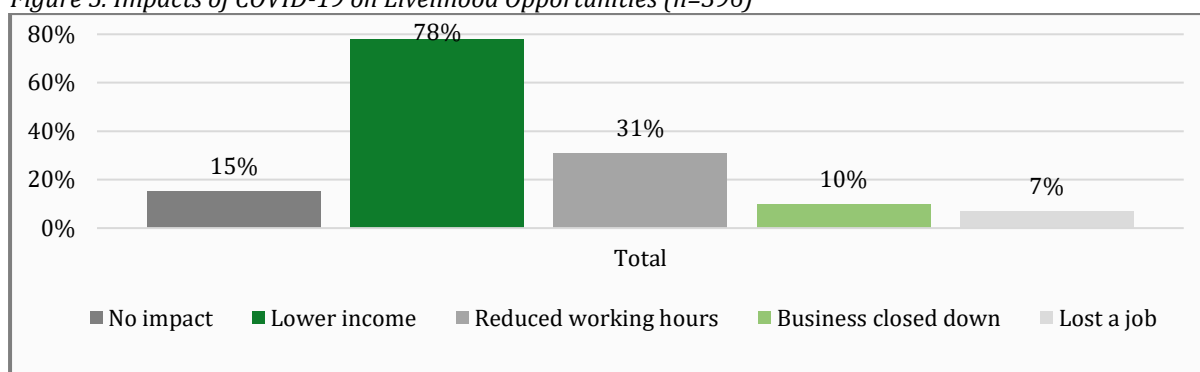


On average, two HH members were recorded to be contributing to income generation per HH (range: 0-5). As for their main income sources, most community members relied on casual labour (63%, n=250) (See: Figure 4). In line with the findings above, those who reported other income sources most frequently specified that they relied on their or another HH member's retirement pension.



The HH survey contained two separate questions to determine the impact of the COVID-19 pandemic on targeted communities. The first question relates to HH income,⁸ whereas the second one seeks to determine the impact of the pandemic on livelihood opportunities.⁹ Answer options on income between the two questions overlapped. As such, answers provided for the first question should be consistent with those of the second question and vice versa. However, this was not the case. When asked the first question, only 45% (n=178) of respondents reported that their income had dropped since the pandemic. For the second question, however, the percentage of those who report a decrease in income is considerably higher (78%, n=308) (See: Figure 5). Moreover, data provided by women during FGDs confirms that the income of their HHs has overall decreased drastically, suggesting that the findings provided in figure 5 are likely accurate.¹⁰ In Al Baghdadi subdistrict, however, the impact of the pandemic was reportedly lower.¹¹ In support of this, community leaders from Al Baghdadi explained that the impact of the pandemic was not particularly noticeable because employment rates in the area were already very low before the pandemic, especially in the public sector.¹²

Figure 5. Impacts of COVID-19 on Livelihood Opportunities (n=396)



As expected, moreover, males in the HH were found to be more frequently in charge of decisions regarding HH expenses. More specifically, 71% (n=280) and 16% (n=63) of respondents said that most of the time adult and elderly men, respectively, decide how to spend the available money in their HH. Interestingly, however, even in the case of female-headed HHs, women¹³ were reported to be less active in decision-making in that regard compared to men.¹⁴ While the data provided no evident reason for this, it can be attributed to the potential interference of other male family members in decision-making.

3.2.2 UNEMPLOYMENT

Unemployment in the sample was high, as 98% (n=387) of respondents reported that at least one adult member of their HH was unemployed at the time of data collection. The data suggests that unemployment affected men and women in an equal way in more than half of the HHs (53%, n=205). Among the remainder, 27% (n=104) reported that the members of their HH who were unemployed were men, whereas the remaining 20% (n=78) said that they were women.

“The community in Heet is very conservative and adheres to tribal and religious customs and traditions. Because of this, most women stay at home.”

WOMEN – HEET CENTRE

⁸ “Was your household income before COVID-19 higher or lower than it is now?”

⁹ “How did COVID-19 affect the livelihood activities in your community?”

¹⁰ FGD with Women (2); FGD with Women (3); FGD with Women (4); FGD with Women (5); and FGD with Women (6).

¹¹ FGD with Women (1).

¹² FGD with Community Leaders (1).

¹³ Adult women: 39% (n=16); elderly women: 5% (n=2).

¹⁴ Adult men: 49% (n=20); elderly men: 7% (n=3).



Respondents were then asked about the three principal reasons for unemployment among the female and male members of their HH. Figures 6 and 7 provide an overview of the answers. As can be seen, the lack of employment opportunities in the area is the main reason behind unemployment for both men (85%, n=265) and women (66%, n=186). This indicates that vocational training in itself will not ensure employment unless vocational training is coupled with the creation of employment opportunities (e.g. start-up financing, etc.). Other prevalent reasons were the inability to find the desired job and a lack of capital to start a business.

For women, two prevalent reasons for unemployment relate to HH duties (37%, n=105) and the fact that women are not allowed/willing to work alongside men (36%, n=101), underscoring the conservative character of communities in Heet district where women are still primarily perceived as homemakers. To counter this, programming may need to focus on home-based businesses for females as well as the provision of free or affordable childcare facilities. Information provided during FGDs with women confirmed this.¹⁵ However, this was not equally the case across subdistricts in the sample. For instance, responsibilities in the HH and unwillingness to work alongside men were deemed less of an obstacle for employment among women in the subdistricts of Al Mohamadi,¹⁶ Kubaisa,¹⁷ and Heet Center,¹⁸ compared to Al Furat¹⁹ and Baghdadi.²⁰ This indicates that unless effective awareness or sensitisation activities are conducted, it is unlikely to ensure readiness among women to work in occupations that are not considered suitable for women. Those occupations that women are thus most likely to want to work in are those who have a female customer-base, including beauty salons, hair salons, sewing shops, home-based businesses, etc.

Figure 6. Principle Reasons Behind Unemployment Among Women (n=283)

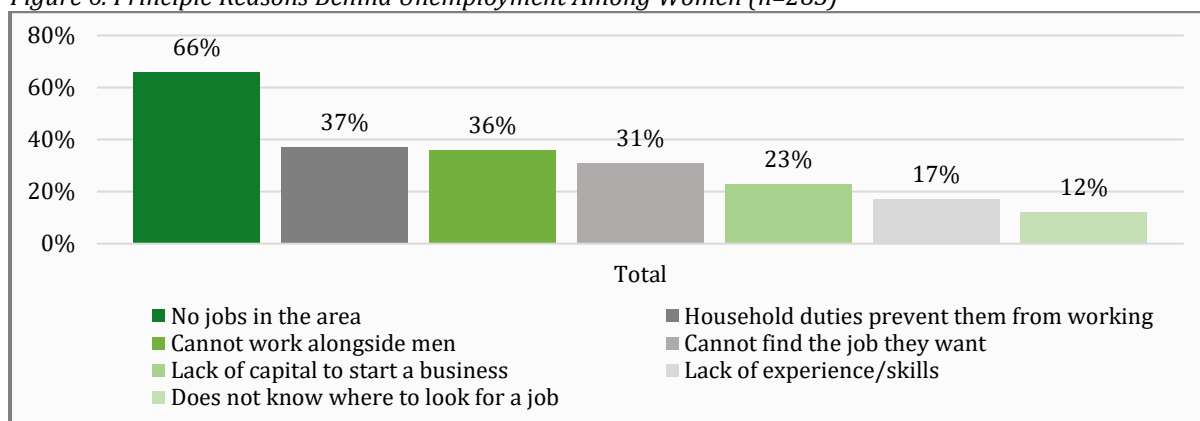
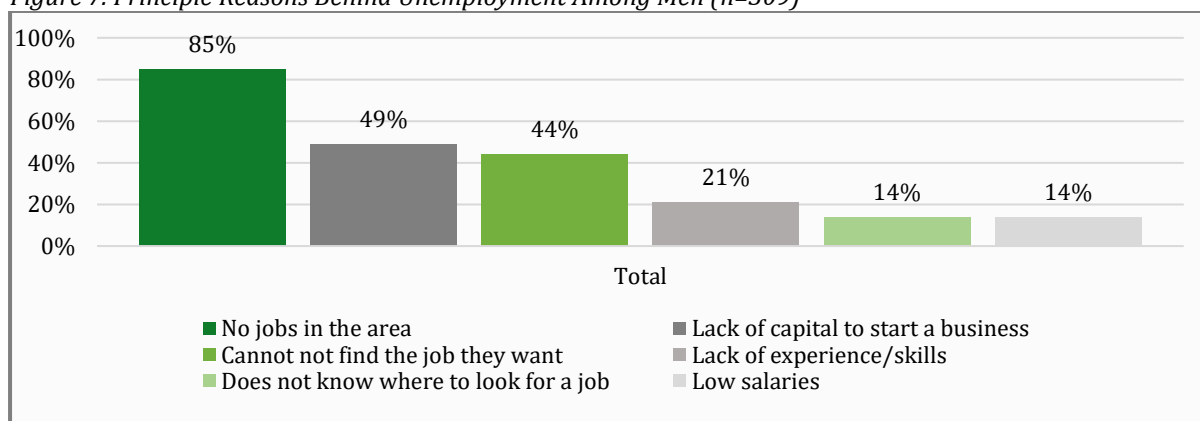


Figure 7. Principle Reasons Behind Unemployment Among Men (n=309)



¹⁵ FGD with Women (1); FGD with Women (3); FGD with Women (5); and FGD with Women (6).

¹⁶ Household duties: 13% (n=4); cannot work alongside men: 7% (n=2).

¹⁷ Household duties: 21% (n=7); cannot work alongside men: 33% (n=11).

¹⁸ Household duties: 33% (n=41); cannot work alongside men: 26% (n=32).

¹⁹ Household duties: 48% (n=24); cannot work alongside men: 60% (n=30).

²⁰ Household duties: 62% (n=29); cannot work alongside men: 55% (n=26).



Interestingly, and despite the relatively high prevalence of disability among HHs in the sample, reports regarding workplaces that are not accommodated to the specific needs of PwDs are barely received.²¹ This may be attributed to the fact that PwDs in Iraq are largely excluded from livelihood opportunities.²² This was also confirmed during a KII with a representative of the regional Department of Education.²³ This indicates that a change in attitude towards the abilities/rights of PwD at the community/family level is an important pre-requisite to ensure that PwD can participate in the program activities with the same benefits as other participants.

3.2.3 EMPLOYABILITY

Men and women in the sample were then asked about the factors that, according to them, would help increase the employability of people of their respective gender (See: Figure 8 and Figure 9). The availability of more jobs opportunities for women was underlined as the most prevalent factor by women (68%, n=47), followed by skills training (36%, n=25) and childcare (26%, n=18). In part, the lack of job opportunities for women may also be a result of the limited selection of jobs that are considered suitable for women. Without additional demand for the outputs of those jobs, activities may need to focus on enabling women to work outside of occupations traditionally considered suitable for women. Male respondents most frequently underscored financial support (91%, n=296) and skills training (44%, n=143). This underscores the importance of combining vocational training with start-up financial support.

According to respondents, the most important factors for finding a job in Heet district were having capital (63%, n=251), work experience (55%, n=219), qualifications and/or certificates (41%, n=161), and connections to employers (32%, n=127).

Figure 8. Factors for Increased Employability Among Women. (n=69)

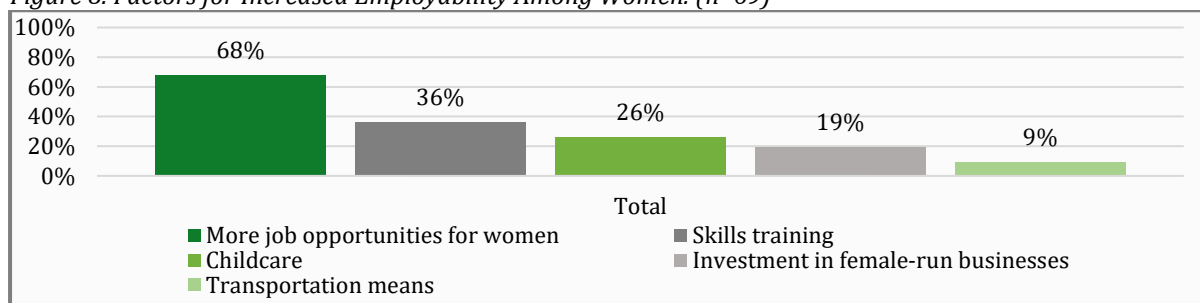
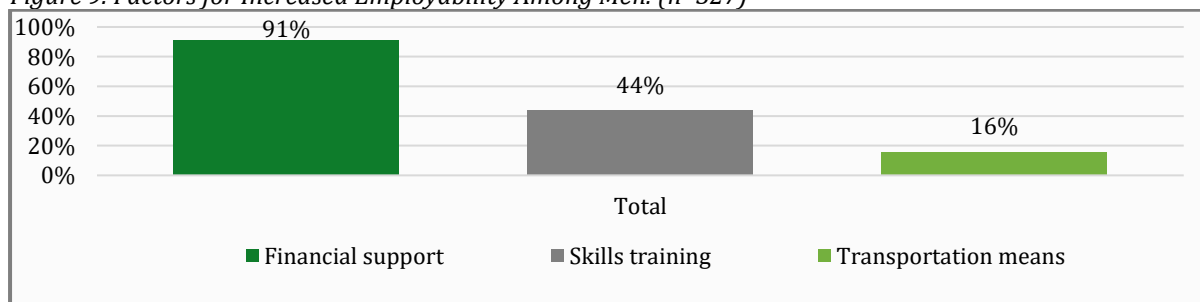


Figure 9. Factors for Increased Employability Among Men. (n=327)



Lastly, respondents were asked a set of questions to determine social cohesion and willingness to work alongside different community groups. 97% of respondents said that they are willing to work alongside people from different religious and ethnic groups. In terms of gender, moreover, women

²¹ Percentage of people who mentioned that a HH member is unemployed because the workplace does not accommodate to their needs (women: 1% (n=3); men: 1% (n=2)).

²² IOM Iraq (2021) *Persons with Disabilities and their Representative Organizations in Iraq: Barriers, Challenges, and Priorities*. Available at: <https://reliefweb.int/sites/reliefweb.int/files/resources/OPDs%20report%20English.pdf>.

²³ KII with Stakeholders (2).



expressed lower readiness to work alongside men (70%, n=48) than men alongside women (94%, n=306). This was particularly the case in Al Mohamadi (87%, n=13), Baghdadi (86%, n=6), and Al Furat (83%, n=5). As mentioned before, this indicates that unless effective awareness or sensitisation activities are conducted, it is unlikely to ensure readiness among women to work in occupations that are not considered suitable for women. Those occupations that women are thus most likely to want to work in are those who have a female customer-base, including beauty salons, hair salons, sewing shops, etc.

3.3 VOCATIONAL TRAINING

First, respondents were asked if anyone in their HH had received vocational training in the past. Only 6% (n=22) answered affirmatively, with no considerable differences between subdistricts. Then, respondents identified obstacles that prevent them or other members of their HH from receiving vocational training. The lack of training opportunities in the area (79%, n=297) was the main factor identified by respondents. This was particularly the case in Al Mohamadi, where 94% (n=32) of the respondents reported a lack of training opportunities. Other factors were the high cost of the training (15%, n=56) and lack of awareness of existent institutions that provide training (14%, n=54).

To obtain further insight into the availability of vocational training opportunities in Heet district, participants in qualitative interviews were asked to name available institutions providing such services. The data suggests that there is no public training centre providing vocational training in Heet district and the closest institution is located in Ramadi district.²⁴ However, a limited number of other institutions were reported to provide vocational training, including a private centre in Al-Furat offering training in teaching, a cultural centre in Heet, a youth sports centre, and an entrepreneurship institute for women.²⁵ Some respondents mentioned local and international organisations, including the United Nations Development Programme (UNDP), the United Nations Human Settlements Programme (UN-Habitat), and Shams Iraq non-governmental organisation (NGO).²⁶ Moreover, some secondary schools were reported to provide training in agriculture, trade, and industrial skills.²⁷ Some of these schools were said to also organise courses open to non-students.²⁸ Other types of training provided by the institutions mentioned above include training for electricians, blacksmiths, and carpenters, as well as training in computer skills, sewing (for women only), occupational safety, and construction.

Participants in qualitative interviews were also asked to provide information on available on-the-job training programmes in Heet district. Answers provided by some of them suggest a lack of understanding of the nature of this training approach. Though, it can be overall concluded that available on-the-job training opportunities in Heet are scarce to non-existent.²⁹

Respondents of the HH survey who had received vocational training in the past (or reported that a member of their HH received training) partook in training in handicrafts (23%, n=5), farming (seeds and planting) (18%, n=4), business skills (14%, n=3), computing/IT skills (14%, n=3), construction (9%, n=2), mechanics (5%, n=1) and farming (raising livestock) (5%, n=1). Other training programs respondents had received included barber (5%, n=1) and electrician training (5%, n=1), as well as training in teaching (5%, n=1). Only 23% of respondents who had received training found employment following the completion of the training. Most of those who did not find a job said that this was because of the lack of job opportunities (76%, n=13), suggesting possible weaknesses in the way those vocational training programmes are tailored to the existing demand in the local labour market, as well as potential shortcomings in or lack of adequate job placement mechanisms.

²⁴ KII with Stakeholders (8); KII with Stakeholders (9); KII with Stakeholders (12) and KII with Stakeholders (14).

²⁵ KII with Stakeholders (1); KII with Stakeholders (3); KII with Stakeholders (7); KII with Stakeholders (10); KII with Stakeholders (11); KII with Stakeholders (13); KII with Stakeholders (16); and KII with Stakeholders (18).

²⁶ KII with Stakeholders (4) and KII with Stakeholders (15).

²⁷ KII with Stakeholders (1); KII with Stakeholders (2); KII with Stakeholders (3); KII with Stakeholders (4); KII with Stakeholders (5); KII with Stakeholders (6); and KII with Stakeholders (7).

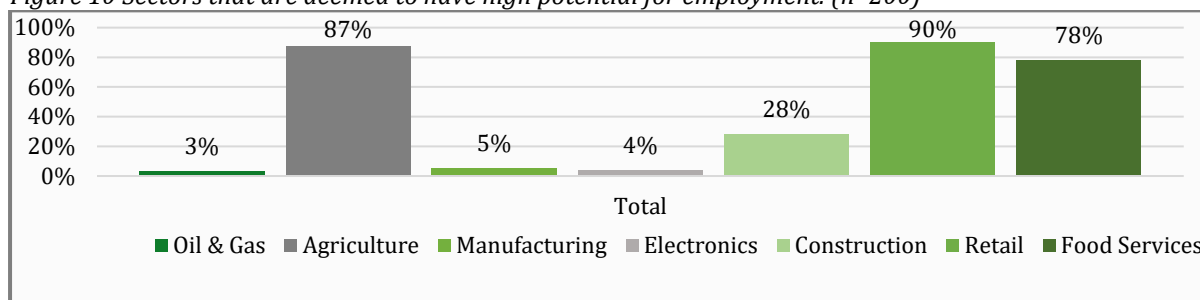
²⁸ KII with Stakeholders (2).

²⁹ KII with Stakeholders (2); KII with Stakeholders (3); KII with Stakeholders (5); KII with Stakeholders (10) and KII with Stakeholders (15).



The HH survey also included a question to determine the willingness and preferences of respondents to receive vocational training in the future. 200 people (25 female, 175 male), out of which 101 married were asked to prioritise 3 sectors that from their perspective have the highest job opportunities. The options included sectors such as Information and Communication, Financial and Insurance, Arts and Entertainment, Transportation and others, yet less than 3% respondents prioritise those sectors.

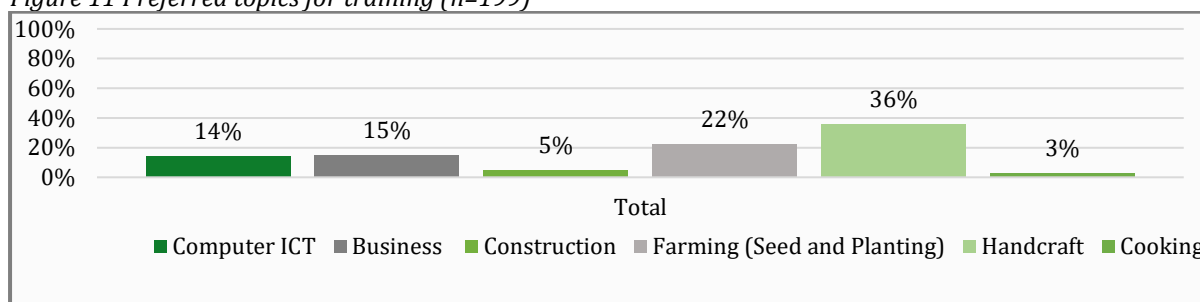
Figure 10 Sectors that are deemed to have high potential for employment. (n=200)



Within Agriculture sector Grain farming (30%, n=52), Livestock (28%, n=49) and Vegetation farming (28%, n=49) were prioritised. Respondents who selected construction sector believed opportunity lays in general building (96%, n=52) sub-sector, rather than in trading of construction materials (4%, n=3). Similarly, under Food Services, the following categories were prioritised; Restaurants (92%, n=142), Takeaway Vendor (8%, n=12) and café (<1%, n=1).

Almost all the (99%, n=199) respondents have express interest that either them or their household member is interested in receiving Vocational Trainings. Further they were asked if female members of their household are willing and able to participate in Vocational Training, (98%, n=196) replied Yes and only few replied negative (2%, n=4). Cooking, Farming (equipment) Farming (Livestock), Machinery Operator, Food Processing and other were least popular (<1.5%, n<3)

Figure 11 Preferred topics for training (n=199)



Respondents were then asked whom in their community they consult when looking for information. The answers provided include family/friends (78%, n=307), the mukhtar (33%, n=131), religious leaders (15%, n=58), and neighbours (11%, n=43). No considerable differences were found across gender. In addition, respondents were also asked to name the source of information they trust the most. Family/friends (73%, n=288), the mukhtar (24%, n=95), and religious leaders (13%, n=51) were, again, among the most frequently mentioned answers.



4. MARKET OPPORTUNITIES

This section assesses the existing market opportunities in Heet district by analysing and triangulating data obtained through the HH survey, the market observation survey, and the qualitative interviews conducted as part of this research.

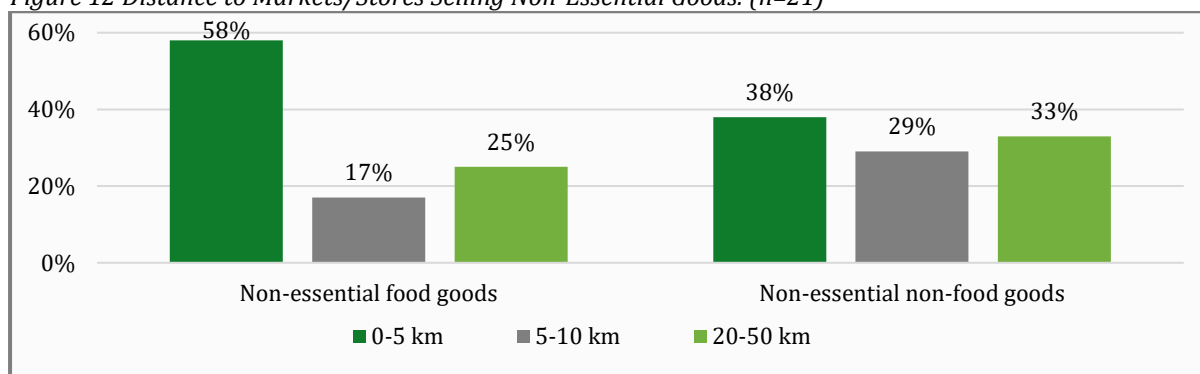
4.1 EXISTING BUSINESSES

Stakeholders who participated in qualitative interviews were asked to provide insight into some key characteristics of the labour market in Heet district. They were first asked about the proportion of the local labour force engaged in the public and private sectors, respectively. The provided information varied drastically from one stakeholder to another, limiting possibilities to conclude which of the two sectors is larger in terms of labour force absorption.

Within the private sector, the agriculture, forestry and fishing sector was reported to be most dynamic on a district level, followed by retail trade.^{30,31} Other important sectors mentioned by stakeholders were construction, accommodation and food services, information and communication, and arts, entertainment and recreation.^{32,33,34,35} The public sector, on the other hand, consisted of regional government service directorates, including the Directorate of Health, the Directorate of Education, the Directorate of Water, etc., as well as a thermopower station and a cement factory.³⁶

According to the data, both markets/stores for food and essential items (97%, n=384) and markets/stores for non-food essentials (95%, n=375) are available in the communities targeted under the survey. Those who said that such markets/stores were not available were asked to provide information on the distance from their HH to the market/store where they purchase non-essential food and non-food goods.³⁷ Figure 11 provides an overview of their answers.

Figure 12 Distance to Markets/Stores Selling Non-Essential Goods. (n=21)



To acquire further insight on the availability of businesses providing goods and services in Heet district, the CCR team conducted an enterprise survey targeting a total of 286 businesses in the subdistricts of Heet Center (41%, n=114), Baghdadi (24%, n=67), Al Mohamadi (16%, n=46), Al Furat (10%, n=27), and Kubaisa (9%, n=25). Table 2 on the next page provides an overview of the sectors of the businesses targeted.

³⁰ KII with Stakeholders (x17).

³¹ KII with Stakeholders (x14).

³² KII with Stakeholders (x6).

³³ KII with Stakeholders (x4).

³⁴ KII with Stakeholders (x4).

³⁵ KII with Stakeholders (x4).

³⁶ KII with Stakeholders (x19).

³⁷ Unfortunately, no similar question was included in the HH survey to provide information on distance to markets/stores where HHs procure essential food and non-food items.



Table 2. Businesses Targeted Under the Enterprise Survey, by Sector. (n=279)

Sector	Total	Heet Center	Baghdadi	Al Mohamadi	Al Furat	Kubaisa
Retail	29%	38%	28%	15%	19%	32%
Supermarket	20%	8%	25%	24%	42%	28%
Other service activities ³⁸	7%	5%	9%	7%	11%	12%
Electronics	6%	6%	7%	13%	0%	0%
Construction	6%	9%	3%	4%	8%	0%
Car services	5%	6%	4%	4%	4%	4%
Other professional services	5%	6%	4%	9%	0%	0%
Butcher/fish vendor	5%	3%	6%	7%	4%	4%
Wholesale trade	4%	6%	4%	4%	0%	0%
Manufacturing	4%	6%	0%	9%	0%	0%
Restaurant and food services	4%	2%	2%	2%	4%	20%
Small food vendor	3%	3%	1%	2%	8%	0%
Dentist or veterinary services	0%	1%	0%	0%	0%	0%
Finance and Insurance	0%	1%	0%	0%	0%	0%
Lawyer/legal advice	0%	1%	0%	0%	0%	0%
Other	2%	0%	7%	0%	0%	0%

As can be seen in the table, most businesses surveyed were in the retail, supermarket, and other services sectors. For all sub-districts, moreover, the highest number of businesses were in the retail sector except for Al Furat sub-district. In this district, the highest number of surveyed businesses were in the supermarket sector. In terms of size, the sample was constituted by small businesses, each of which employed 2 people on average (range: 0-8), excluding business owners.

4.2 BUSINESS AND EMPLOYMENT OPPORTUNITIES

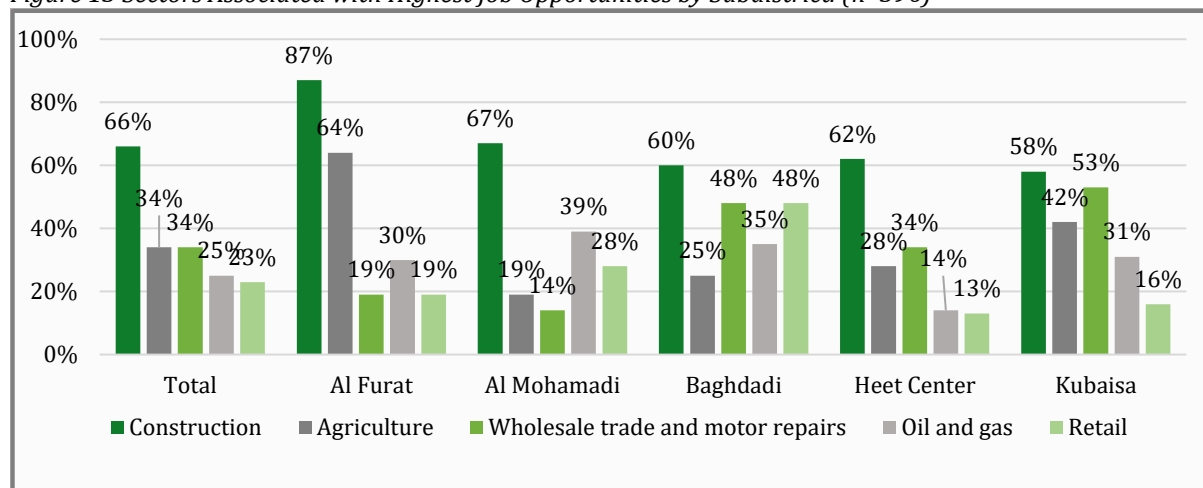
Furthermore, respondents of the HH survey were asked if they were willing to start their own business. The vast majority of them (96%, n=382) responded affirmatively. Then, respondents were asked to name the sectors that provide the highest number of job opportunities in the area. (See: Figure 10) The most frequently mentioned sector by respondents in all four subdistricts was construction. Demand within the construction sector may relate to the massive destruction of housing and infrastructure during the 2014-2018 conflict as well as increased reconstruction efforts following the defeat of ISIS.³⁹ Other important sectors (i.e., sectors mentioned by over 20% of them) were agriculture and wholesale trade and motor repairs.

³⁸ Computer and household goods repair, hairdressing, dry-cleaning, others.

³⁹ World Bank (2018) *Iraq Reconstruction and Investment. Damage and Needs Assessment of Affected Governorates*. Available at: <https://documents1.worldbank.org/curated/en/600181520000498420/pdf/123631-REVISED-Iraq-Reconstruction-and-Investment-Part-2-Damage-and-Needs-Assessment-of-Affected-Governorates.pdf>.



Figure 13 Sectors Associated with Highest Job Opportunities by Subdistrict. (n=396)



For certain sectors, answers provided by female respondents somewhat differed compared to those of men. For instance, women reported more employment opportunities in sectors such as accommodation and food services (26%, n=18) and other services (hairdressing, dry-cleaning, etc.) (26%, n=18). At the same time, they mentioned sectors like construction (51%, n=35) and wholesale trade and motor repair (28%, n=19) less frequently compared to men. This is probably because women are more likely to register opportunities in sectors deemed suitable for them by the community. This indicates that separate vocational training and start-up opportunities will need to be created for males and females.

Interestingly, stakeholders who participated in KIIs reported the agriculture, and forestry and fishing sector as the most dynamic on a district level, followed by retail trade.^{40,41} Other important sectors mentioned by stakeholders were construction, accommodation and food services, information and communication, and arts, entertainment, and recreation.^{42,43,44,45}

However, the data provided limited information on specific subsectors within the sectors above. The HH survey did include questions on this. However, errors in the filtering resulted in only a very limited number of respondents being asked this set of questions.⁴⁶ As such, the answers provided cannot be used to identify trends in the sample.

Some insight on this was, however, provided during FGDs. Participants in those interviews were asked to say what, according to them, would be the best kind of business to start in their community. Business owners provided answers that varied considerably, and only two business types were highlighted as potentially having a high chance of success in more than one FGD. These were construction materials⁴⁷ and food businesses.⁴⁸ Answers provided by community leaders were also diverse. However, bakeries were mentioned as one of the businesses with a high likelihood for success in four FGDs with community leaders.⁴⁹ Among all FGDs with women, sewing was described as one of the businesses to start with the highest likelihood of success. Other businesses with a high chance of

⁴⁰ KII with Stakeholders (x17).

⁴¹ KII with Stakeholders (x14).

⁴² KII with Stakeholders (x6).

⁴³ KII with Stakeholders (x4).

⁴⁴ KII with Stakeholders (x4).

⁴⁵ KII with Stakeholders (x4).

⁴⁶ For instance, only 19 of all 261 respondents who reported construction as a sector that provides a lot of employment opportunities were asked to specify the subsector to which they referred.

⁴⁷ FGD with Business Owners (2); and FGD with Business Owners (4).

⁴⁸ FGD with Business Owners (1); FGD with Business Owners (2); and FGD with Business Owners (4).

⁴⁹ FGD with Community Leaders (2); FGD with Community Leaders (3); FGD with Community Leaders (4); and FGD with Community Leaders (5).



success were clothing⁵⁰ and, again, bakeries.⁵¹ Lastly, according to participants in the FGD conducted with youth, the most successful businesses would be businesses that sell food and women clothing.

Stakeholders who participated in KIIs were also asked to name the least profitable sectors present in Heet district. The answers they provided varied considerably. Despite its large share in the local economy, agriculture forestry and fishing were most frequently described as least profitable.⁵²

CCR's decision for selecting Date farming, and Retail food for Restaurants for the Value Chain Studies, was not only based upon our data collection activities in the field (FGD's/KIIs), but also from our research results of the Desk Review, and feedback from local staff and other individuals.

There were other market segments not considered as possible candidates such as potatoes, tomatoes, and construction materials. Construction materials are dominated by a handful of large companies that distribute throughout the entire region, resulting in an economy-of-scale that would make the market extremely difficult to enter. The skills and capital required to start-up such an operation would fall outside the realm of most of the population. Also, Agricultural crops like tomatoes were considered inappropriate since Heet district is an arid climate that suffers from regular droughts, and these crops have a high-water consumption rate.

To sum up, while the data identifies agriculture, construction, and retail as dominant sectors in Heet district, it offers limited insight into the specific type of businesses that would be successful. Also, we feel the selection of the value chain should not be solely based on the likelihood of success for the business. Parameters such as barriers to entry, skills/capital needed, and the potential for employment, growth, and replicability should be thoroughly considered.

For example, Food Shops/Restaurants does not require a significant amount of capital and skills to start.

4.3 OBSTACLES TO STARTING A BUSINESS

Information obtained during KIIs with stakeholders suggests that loan and credit sources for start-ups were largely unavailable in Heet district.⁵³ This aligns with information that suggests that in Iraq, credit provided to the private sector is largely non-existent on the micro-level.⁵⁴ However, two stakeholders mentioned the availability of such sources, even though the information they provided suggests that they likely do not provide specialised services for start-ups and businesses as a whole.⁵⁵

Furthermore, respondents of the HH survey said that the main obstacle to starting a business in Heet is the lack of financial resources (98%, n=375). This aligns with the information provided by stakeholders during KIIs.⁵⁶ Difficulties to obtain a license for a new business was another obstacle reported by stakeholders.⁵⁷

Challenges in terms of skill gaps were also identified. Several stakeholders informed that, as the labour market in Heet is underdeveloped, people lack experience and, therefore, do not acquire skills that are considered valuable in the labour market.⁵⁸

4.4 LIVELIHOOD SERVICES

Participants in FGDs were asked to name the type of support that, according to them, would help their community to start earning their income. Support in the form of vocational training⁵⁹ and/or start-up

⁵⁰ FGD with Women (1); FGD with Women (2); FGD with Women (3); and FGD with Women (6).

⁵¹ FGD with Women (1); FGD with Women (4); and FGD with Women (6).

⁵² KII with Stakeholders (x4).

⁵³ KII with Stakeholders (x7).

⁵⁴ ILO's *Financial Inclusion Strategy in Iraq 2020 – 2023. An Entry for Decent Jobs*. Available at:

https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_775892.pdf.

⁵⁵ KII with Stakeholders (8) and KII with Stakeholders (11).

⁵⁶ KII with Stakeholders (x14).

⁵⁷ KII with Stakeholders (x5).

⁵⁸ KII with Stakeholders (x9).

⁵⁹ FGD with Business Owners (x6); FGD with Women (x6); and FGD with Community Leaders (x3).



grants for new businesses⁶⁰ were perceived as most necessary. This is in line with previous findings regarding the lack of vocational training opportunities in Heet district (See: Vocational Training). Other types of support mentioned by participants in FGDs included agricultural/livelihoods support,⁶¹ employability training,^{62,63} and training in business skills for existing businesses.⁶⁴

During KIIs, moreover, interviewed stakeholders proposed different types of livelihoods interventions that can be implemented in Heet district. Most respondents proposed the delivery of vocational and entrepreneurship training on a variety of topics, including farming (including crop production⁶⁵, livestock breeding and fishing), construction (carpentry, blacksmith), teaching, etc.

Then, stakeholders were asked about the initiatives undertaken by the regional government to encourage employment and business development. Most stakeholders were unaware of the existence of any such initiatives.⁶⁶ Lastly, participants in qualitative interviews were asked to name the NGOs who have implemented livelihood activities in Heet in the past. These actors include UNDP, UN-Habitat, IOM, IMC, Saab Al-Sanbel, Balad Al Salam, ART, GIZ, UNHCR, etc. Moreover, stakeholders were also asked if there are any cooperatives in Heet. Most respondents were aware of a teacher association, a farmer association, as well a syndicate of engineers.

⁶⁰ FGD with Business Owners (x5); FGD with Women (x3); and FGD with Community Leaders (x5).

⁶¹ FGD with Business Owners (x3); FGD with Women (x3); and FGD with Community Leaders (x3).

⁶² Training on how to write a CV, how to do job interviews, etc.

⁶³ FGD with Business Owners (x2); FGD with Women (x4); and FGD with Community Leaders (x1).

⁶⁴ FGD with Business Owners (x4) and FGD with Community Leaders (x2).

⁶⁵ Sesame, barley, wheat, vegetable and data cultivation, etc.

⁶⁶ KII with Stakeholders (x6).



5. CONCLUSIONS & RECOMMENDATIONS

	Conclusions	Recommendations
EMPLOYMENT & INCOME	<ul style="list-style-type: none"> Unemployment in Heet district is high, with almost all HHs having at least one unemployed member over 18 years old. The main reason for unemployment is the lack of employment opportunities. Male HH members are in charge of decisions regarding HH expenses. This was found to be the case for female headed HHs as well. Women face considerable restrictions concerning employment due to cultural norms. Household chores and women's inability/ unwillingness to work alongside men were two principal reasons for unemployment among women. 	<p>Recommendation #1: Integrate on-the-job training into each training programme.</p> <p>Recommendation #2: Deliver training sessions on financial literacy for women to provide them with the necessary skills and knowledge to make informed and effective decisions with all of their financial resources and gain confidence in their decision-making abilities in terms of expenditure.</p> <p>Recommendation #3: Organise awareness campaigns promoting women's participation in the labour market. Provide counselling sessions to women participating in project activities and their families, focusing on the benefits of women's employment.</p>
VOCATIONAL TRAINING	<ul style="list-style-type: none"> Vocational training opportunities in Heet district are extremely limited. On-the-job training opportunities, moreover, were virtually non-existent. In addition, there is no government-run vocational training centre in Heet district, being the closest one in Ramadi district. Moreover, only about a quarter of the few respondents who had received vocational training in the past found employment upon the completion of the training. Community members in Heet district are enthusiastic about developing vocational skills. 	<p>Recommendation #4: Following the completion of the Value Chain Analysis, design inclusive Technical and Vocational Training and Programmes with a special focus on the agriculture, retail, and construction sectors in collaboration with relevant stakeholders from the private and public sector.</p> <p>Recommendation #5: Develop job placement mechanisms in collaboration with relevant stakeholders and regional government representatives, linking trainees with existing businesses in the area.</p> <p>Recommendation #6: Engage with NGOs, cooperatives, regional government representatives, the Ministry of Labour and Social Affairs and the Directorate of Labour and Social Affairs, and other relevant actors on a district level to advocate for improved access to vocational training opportunities tailored to the needs in the labour market.</p>



BUSINESSES	<ul style="list-style-type: none"> • Agriculture, retail, and construction are the largest sectors in Heet district. In addition, Agriculture was often described as an unprofitable sector, suggesting room for development. Lastly, retail of women's clothes and fabrics, in particular, is perceived by women as one of the businesses to start with the highest likelihood of success • Interest in starting a business was strong among both women and men. • Obtaining capital to start or maintain small businesses was considered the main obstacle to starting a business. Microfinance programs are virtually unavailable in Heet district. 	<p>See: Recommendation #4</p> <p>Recommendation #7: Create inclusive micro-entrepreneurship programs linked with start-up financing, placing particular focus on women interested in entrepreneurship.</p> <p>Recommendation #8: Support the establishment of a limited number of peer-to-peer lending groups to provide loans for start-ups. Ensure proper oversight of the activity to ensure the commitment of participants. Such lending models, including Care International's Village Savings and Loan Associations and Oxfam's Rotational Savings and Credit Associations, could be linked with existing financial institutions to improve their sustainability.^{67,68}</p>
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⁶⁷ Oxfam (September 2018) *Livelihoods in Protracted Crises. Using Savings and Small Business Grants to Build Resilience in Conflict-Affected Communities in Iraq*. Available at: <https://oxfamilibrary.openrepository.com/bitstream/handle/10546/620542/cs-livelihoods-savings-business-grants-iraq-130918-en.pdf?sequence=1&isAllowed=y>.

⁶⁸ UNCDF (2020) *Savings Groups' Linkages Toolkit*. Available at: <https://www.uncdf.org/article/5779/uncdf-savings-groups-linkages-toolkit>.



ANNEX 1: KII RESPONDENTS

#	Gender	Occupation
1	Male	Director of Flour Factory
2	Male	Director of Education Department
3	Male	Director of Water Department
4	Male	Director of Electricity Department
5	Male	Director of Food Factory
6	Male	Director of Youth Centre
7	Male	Director of Sewage Department
8	Male	Director of Company
9	Male	Director of Department of Agriculture
10	Male	Director of Fertilizer Shop
11	Male	Director of Statistics Department
12	Male	Director of Training Centre
13	Male	Director Factory
14	Male	Director of Vocational Training Centre
15	Male	Mayor of Al Baghdadi
16	Male	Mayor of Al-Furat
17	Male	Mayor of Al-Kubaisa
18	Male	Mayor of Al-Muhammadi
19	Male	Mayor of Heet

