SOCIO-ECONOMIC OPPORTUNITY MAPPING FOR YOUTH AT RISK

IN THE REGION OF LAC, CHAD

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Transition International

Organización Internacional para las Migraciones

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GLOSSARY

List of acronyms

ACF	Action Contre la Faim
ADB	Asian Development Bank
AEO	African Environment Outlook
AFD	Agence Française de Développement (French Development Agency)
ALMP	Active Labour market policies
BDS	Business Development Services
BECMA	Bureau of Studies and Culture of Microalgae
BIEP	Inter-ministerial Bureau of Studies and Programming
CAR	Central African Republic
CCCM	Camp coordination and camp management
CDP	United Nations Committee for Development Policy
CEMAC	Central African Economic and Monetary Community
CEN-SAD	Community of Sahel-Saharan States
CFAF	Communauté Financière Africaine franc
CILSS	Permanent Interstate Committee for Drought Control in the Sahel
COMFAR (UNIDO)	Computer Model for Feasibility Analysis and Reporting
COOP	Cooperazione Internazionale
COOPI	Cooperazione Internazionale
CRT	Croix Rouge du Tchad (Chadian Red Cross)
DESA	United Nations Department of Economic and Social Affairs
DREN	Délégation Régionale de l'Education Nationale
DTM	Displacement Tracking Matrix
ECCAS	Economic Community of Central African States
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FAOSTAT	Statistics Division of Food and Agriculture Organization of the United Nations
FCFA	Central African franc
FDI	Foreign direct investment
FONAJ	Fonds National d'Appui à la Jeunesse
FONAP	Fonds National d'Appui à la Formation Professionnelle
GDP	Gross Domestic Product
HDI	Human Development Index
HDR	UNDP Human Development Report
ICT	Information communication technology
IDP	Internally displaced person
ILO	International Labor Organization
IMF	International Monetary Fund
INSEED	National Institute of Statistics, Economic and Demographic Studies
IOM	International Organisation of Migration
IRC	International Rescue Committee
ISIS	Islamic State of Iraq and the Levant
KILM	Key Indicators of Labour Market
LCBC	Lake Chad Basin Commission
LCDAP	Lake Chad Development and Climate Resilience Action Plan

LMAIS	Labour Market Information and Analysis system
MA	Market Assessment
MAFR	Mission Afrique
NAPA	National Adaptation Programme of Action
NDP	National Development Plan
NFI	Non-food items
NGOs	Non-governmental organisations
OCHA	UN Office for the Coordination of Humanitarian Affairs
OECD	Organisation for Economic Co-operation and Development
ONAPE	Office pour la Promotion de l'Emploi
PAPST	Projet d'Appui à la Politique Sectorielle pour l'Education au Tchad
PARSET	Project in support of reform of the education sector in Chad
PASE	Education Sector Support Project
PDL	Local Development Plans
PNSA	National Food Security Programme
PRODEBALT	Lake Chad Sustainable Development Programme
RA	Rapid Assessment
REC	Regional economic communities
REP	Regional Economic Program
SEP	Socio-Economic Profiling
SIPEA	Intermediate Strategy for Education and Literacy
SME	Small and medium enterprises
SODELAC	Societé de Dévéloppement du Lac Tchad, Ministère de l'Agriculture, Chad
SWOT	Strengths, weaknesses, opportunities, threats
TCN	Third Country Nationals
TI	Transition International
TSI	Transitional Solutions Initiative
TVET	Technical Vocational Education and Training
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
URCOOPEC	Union Régionale des Coopératives d'Epargne et de Crédit
VTC	Vocational Training Centres
WFP	World Food Programme

List of local terms

Buduma	Ethnic group of Chad, Cameroon, and Nigeria who inhabit many of the islands of Lake Chad, predominantly consisting of fishers and cattle-herders
Kanembu	Ethnic group of Chad, generally considered the modern descendants of the Kanem-Borno Empire, predominantly consisting of merchants who also engage in agriculture and raising livestock
Kuri	Ethnic group in Lake Chad region

Polder	A low-lying tract of land enclosed by dikes that forms an artificial hydrological entity, meaning it has no connection with outside water other than through manually operated devices.
Wadi	A valley that has a river that is usually dry except when it has rained, common in desert areas of Africa and Western Asia

EXECUTIVE SUMMARY

This report presents the results of a socio-economic opportunity mapping for youth at risk in the communities of persons displaced in Bol and Baga Sola, Lac region in Chad. The mapping is part of the International Organisation of Migration (IOM) project that aims to provide a framework for transitioning displacement situations to durable solutions, including assistance to the development and the implementation of effective actions for youth employment. The socio-economic opportunity mapping was carried out in June-July 2016 by Transition International. The main authors are Luca Azzoni, Mark van Dorp and Irma Specht.

Transition International adopted mostly a qualitative methodology with quantitative elements, to accommodate variables linked to the high mobility of the population, as well as uncertainties of security conditions linked to prevailing circumstances in the region.

The mapping aims to determine the aspirations, skills and competencies of youth at risk (socio-economic profiling) and to collect and analyse data and information on dynamics and trends in local markets, demand and supply of goods, services, labour and jobs, as well as to assess the institutional capacity of all stakeholders: government agencies, employers, education and training institutes, and technical and professional associations of youth and communities. It identified viable market opportunities for youth at risk and formulated concrete recommendations for the IOM's on-going and future interventions.

The mapping led to the following conclusions:

Socio-economic profiling of displaced youth

As a consequence of displacement, people who were originally farmers, fishermen and traders, and to a lesser extent, pastoralists, craftsmen and small vendors, have seen their livelihood opportunities become limited towards being craftsmen and small vendors, while a large portion remained unemployed or underemployed. These residual activities cannot offset the sharp decrease of farming, livestock and trading. In the current situation, displaced youth generate income through production, processing and selling of food, fuel wood, handicraft, small trading, and temporary waged employment and, to a much lesser extent, through small-scale livestock and fishing. Their earnings have decreased significantly, and on average displaced persons earn between 10,000 to 75,000 Central African franc (FCFA) per month.

Men generally reach higher income than women due to the different type (and added value) of the economic activities. In general, displaced youth, men and women can safely access economic opportunities and have not been prevented from obtaining available jobs in the region. Some of the main obstacles youth at risk in Lac region are facing include insecurity, tensions with host communities, difficulty in overcoming administrative burdens and customary practices managed by traditional authorities (particularly in relation to the access to education and land), lack of infrastructure, services, and financial resources. For these issues, youth at risk indicate that they are in need of assistance.

Employment creation requires housing, social and economic services and means of production (land, fishing equipment, livestock, processing and manufacturing technology and technical knowledge), which used to be available on the islands from where the majority of displaced youths come. They clearly identify access to water, pastures, irrigated land and markets as means to secure higher income, and access to food, and, to more and better social and economic services as the priorities for support. As a consequence of the reduction of income, they cannot afford means of production, food items, clothing, and medical treatment. The youngest of the interviewed indicate information communication technology (ICT), the availability of one computer with Internet connection in each displacement site, and portable devices as the most needed items.

They consider the environment for developing their business opportunities as not hostile, even if not fully enabling. They can freely engage in small trading, waged work and circulate in the area without any particular obstacle, with the exception of the small-scale female vendors from Buduma group in Baga Sola. To date, they cannot access any technical and entrepreneurial skills development programmes, however, the youngest men and women among the interviewed are eager to attend training, including an apprenticeship (if available).

The displaced persons are mostly less educated and skilled than the local population. Skills suppliers are very few in one of the localities (Bol) and almost absent in the other (Baga Sola) and, contrary to other crisis affected contexts, the possibility of gaining skills in demand in local labour markets through a traditional/informal apprenticeship is not an option, because apprenticeships are not practiced on a large scale, and when they are, are recruited within family networks.

Women that have the same rights to inherit and own property are more engaged in retailing than wholesale and are mostly confined to handicraft, small trade of essentials purchased on credit from wholesale traders and food items production and selling. As entrepreneurs, they are less likely to have employees than men and face more restrained access to credit. Families and communities take care of disabled people and, wherever residual functional capacity permits, they are offered suitable job opportunities. No specific service for persons with disabilities (PWDs) is available in the displacement sites.

The displaced youth and their leaders in the displacement sites represent a resource and an opportunity for the development of the region if their potential is unleashed by access to services and resources.

Key economic sectors

Land as a resource is certainly available, since the Lake region has abundant availability of freshwater for irrigated agriculture for subsistence, cash crops, livestock and fisheries. There are around 200,000 registered farmers on the main land in the Lac region. Between 120,000-140,000 hectares of polders and wadis are available; however, there are no estimates available for the number of fishermen in the Bol and Baga Sola region.

The mapped localities, Bol and Baga Sola, are strategic locations on the borders of Nigeria, Niger and Cameroon, and there are well-established waterways to these countries over the lake, but as a result of the current crisis, the economic situation has severely deteriorated and agricultural production has almost come to a standstill and large scale changes in people’s employment have occurred. Displaced people, who used to be herders, fishermen or farmers, or a combination of these three, have abandoned their agricultural land and are now dependent on food aid. In addition, the trade routes from Chad to Nigeria, Niger and Cameroon over the Lake Chad have been cut off, which has led to a huge rise in transport costs and times.

Local market dynamics in Baga Sola and Bol

The consumer survey carried out among displaced youth in Baga Sola and Bol, and consumers from the host communities, shows many similarities in the most consumed products on a daily basis, and some differences concerning the most expensive food items such as meat and fish.

The most consumed products in the Lac region are currently imported, even though they could be produced locally. However, given the agricultural potential, this situation could be turned around, with the Lake region becoming a net exporter of locally produced agricultural goods, for both urban areas in Chad and to neighbouring countries. Chapter 4 provides details on the most important goods for displaced persons and host communities obtained on a monthly basis by each locality, products that displaced persons are less satisfied about, and products for which demand exceeds supply.

The interviewed consider the markets in the two main localities as well-functioning because the main goods are available, though lately prices have increased and many goods are no longer affordable. A doubling of import prices and an estimated 50% or more reduction in trade is the result of the border closures between Cameroon and Nigeria, and the sharp increase in transport cost of goods that were formerly transported over the Lake (mainly imports from Nigeria), which now have to be brought over land through Niger. The regulatory capacity of market authorities is criticised and taxation imposed on markets and on goods is considered as too high. The few markets in or near the displaced persons sites generally lack regular supply and variety of goods.

The survey held among large traders, small vendors and service providers shows that demand is sometimes exceeding supply for a large number of products. The main reasons for the unavailability of these goods are shortage of stock, lack of suppliers, financial constraints, heavy taxation, delays caused by the bad state of the roads and the closure of the border as a result of Boko Haram activity.

The traders, vendors and service providers indicated the financial significance of goods like sugar, rice, maize, meat, fish, bread, juices/soft drinks and mineral water on the basis of their monthly revenues (not the profits). Also, the following services appeared to generate high revenues: car and motorbike repair shop/sales of spare parts, communication (mobile phones, credit, charging services), business services (photocopies, printing etc.), carpentry and house construction.

The main value chain opportunities to develop small business and support income generating activities and employment for displaced youth, men and women at risk in the Lac region in Chad are identified around production, trading and processing of maize, groundnuts, livestock, agriculture, natural products (spirulina and natron/sodium carbonate), services (electricity production and sale, building of traditional houses/storages).

Recommendations

On the basis of the results of the profiling and the market assessment, the following **recommendations** to IOM have been formulated:

- Make support to Societé de Dévéloppement du Lac Tchad, Ministère de l'Agriculture, Chad (SODELAC) available for accelerating the preparation and distribution of new polders for agricultural production in areas close to the displacement sites and, in parallel, undertake immediate action for building the capacity of displaced persons to manage production, processing and sale of produced goods;

- Support agriculture, livestock, fishery, production and manufacturing of natural resources and handicraft, small trade and commerce in different displacement sites to be selected on the basis of proximity of markets, fishing areas and centres and their accessibility for traders;
- Support the establishment of women and youth in sustainable enterprises/cooperative societies involved in production, manufacturing and trading in potential markets and in the business opportunities identified in the assessment;
- Consider developing feasibility studies for the identified products in demand and with high market potential; their markets and value chains in Baga Sola and Bol; and the knowledge skills required by the displaced persons willing to engage. These studies can build on the identified pre-feasibility business cases presented as Annex B, like the value chain development (e.g. spirulina, groundnuts transformation, electric power generation) and for successful implementation, there is a need to provide direct financial support as well as to activate microcredit, savings and credit cooperatives, community credit and saving schemes;
- Support displaced persons in setting up multi-service cooperatives running shops, storage facilities, basic cold chain facilities, processing machinery, and so on;
- Stimulate employment of displaced youth in building basic infrastructure in the displacement site with the use of labour intensive schemes;
- Identify at local levels all the existing and potential suppliers of vocational training including local businesses, craftsmen and small entrepreneurs, involve them in the provision of training for displaced persons as a pool of business counsellors and mentors to follow up on the displaced persons' new businesses and their sustainability and coach new entrepreneurs, making them part of their chains of production and value chains;
- Establish and stabilise service and consumer cooperatives in the displacement sites, as efficient hubs for the procurement, provision and rationalisation of extension services for cooperative members and people in the displacement sites;
- Consider microfinance and microcredit, partner with public and private microfinance institutions to increase the credit threshold and credit access restructured /collaterals and guarantees;
- Support the establishment of self-help groups or cooperatives to promote saving and credit schemes for housing construction, including the procurement and sale of Building and Construction building material, storage and transport;
- Provide support (financial and technical training) for start-up and management of micro-enterprises on electricity production technology and equipment (solar);
- Promote gender-responsive individual and group endeavours for young women in the displacement sites;
- Consider supporting agriculture, horticulture, livestock and fishery in displacement sites selected on the basis of proximity of markets, fishing areas and centres and their accessibility for traders;
- Cooperate with the development partners that assist SODELAC in assigning agricultural land and providing extension services to displaced persons;

- Strengthen Business Development Services (BDS) as antenna of the Chamber of Commerce in Bol, Traders Association in Baga Sola, micro-credit facility, SODELAC agricultural enterprise development service;
- Cooperate with agencies and authorities in providing BDS management training to the staff of the agriculture, fisherman and pastoralist associations and the displaced persons engaged in the same activities;
- Liaise with line ministries currently absent from the localities to provide coverage of service provision (employment services, youth promotion funds like *Le fond national d'appui à la jeunesse* (FONAJ), *Fonds National d'Appui à la Formation Professionnelle* (FONAP; micro enterprise development fund of the Office pour la Promotion de l'Emploi (ONAPE)) to displaced youth and host communities;
- Support the Department of Labour in Bol to extend coverage of active labour market measures for displaced persons, such as: training needs assessment, initial labour market information, as well as management of basics labour exchange functions to the displacement sites around Baga Sola;
- Partner with the Bol Vocational Training School for the inclusion of displaced youth in modular courses leading to a national qualification as well as short specialising courses for trades they have opted to develop as their new businesses;
- Advocate for the improvement of road infrastructure by the government and development partners as a necessary condition for the promotion of commercialisation of locally produced goods as well as for more cost-effective import of goods;
- Advocate for improved government policies around taxes and customs regulations, focused on a more business-friendly approach;
- Consider linking up with other programmes focused on business development (e.g. Know about, Generate, Start and Improve your business, Cooperazione Internazionale (COOP), International Labour Organization (ILO) or Computer Model for Feasibility Analysis and Reporting (COMFAR) United Nations Industrial Development Organization (UNIDO);
- Integrate adult training programmes (e.g. United Nations Children's Fund (UNICEF) and Non-Governmental Organisations (NGOs') by organising mobile training in displacement sites for displaced persons, based on short courses;
- Develop modular training providing credits upon completion of modules and leading to a formal qualification when the established number of credits is achieved;
- Promote training of trainers from Vocational Training Centres (VTC) and public/private suppliers, including NGOs, in both localities for trades in demand, and entrepreneurial skills development short programmes (e.g. using the ILO's "Know about business", ILO TREE - "Training for rural economic empowerment");
- Adopt a mechanism of recognition of prior learning or competences acquired by displaced persons through non-formal learning and working experience, in cooperation with UNICEF, UNESCO and the Délégation Régionale de l'Education Nationale (DREN) of the Lac region. This would allow displaced youth to get a qualification (e.g. skilled worker or junior technician) by means of formal testing organised at the VTC in Bol;

- Sensitise authorities in charge of Bol and Baga Sola markets to allot more market stalls to women that already own a stall in the camps visited during the market study;
- Work closely with the leaders of displacement sites and host communities to lift restrictions on the movement of women so they can run production and service enterprises, beyond the sectors and trade to which they are traditionally confined;
- Promote a more gender-balanced distribution of land by SODELAC and assistance to women to own land and have access to training, extension services, inputs and tools.

1. INTRODUCTION

1.1 BACKGROUND OF THE ASSESSMENT

Transition International (TI), a Netherlands-based consultancy firm, was requested by IOM in Chad to carry out a socio-economic opportunity mapping for youth at risk in the communities of persons displaced in Bol and Baga Sola, Lac region of the Chad Lake basin. The current report is providing the results of this assessment. A team of international researchers and selected staff of the IOM, trained and coached to be able to replicate this exercise in other areas of the country in future, carried out the assessment in the period June-July 2016[1].

The mapping includes a socio-economic profiling of displaced unemployed youth at risk, specifically due to the possible recruitment by terrorist / extremist groups engaged in violence or illegal activities. These displaced youths were interviewed in 16 displacement sites around the localities of Bol and Baga Sola. The market assessment was carried out in the same localities and in the neighbouring villages of the host communities when present.

This assessment is part of the IOM's project that aims at providing a framework for transitioning displacement situations to durable solutions including assistance to the development and the implementation of effective actions for youth employment.

As a partnership between humanitarian and development actors, the project prioritises inter-agency cooperation, with tailored area-specific interventions to increase self-reliance, including the host populations as well as the displaced persons. The project has a strong component of national ownership and capacity development of local government, without which sustainable solutions would be impossible.

The project focuses, among other things, on strengthening vocational capacities and business skills, diversification and improvement of rural livelihoods opportunities and enhancement of access to business development services. The project includes a specific component whereby about 200 at-risk youths are guided and assisted in preparing business plans and starting-up (group) viable companies.[2]

However, the final formulation, development, implementation, monitoring and evaluation of appropriate measures and successful practices in promoting youth employment require reliable data and information. The socio-economic opportunity mapping for youth at risk in the Region of Lake Chad provides means to respond to the above mentioned needs and, in particular, to:

- Determine the aspirations, skills and competencies of youth at risk (socio-economic profiling);
- Collect and analyse data and information on dynamics and trends in local markets, demand and supply of goods and services, demand for labour and jobs (opportunity mapping);

[1] This report was authored by Luca Azzoni, Mark van Dorp with inputs from Irma Specht, Natalia Ilina, Sara van der Hoeven and Alexandra Goldsack. The authors are grateful to the IOM staff involved in collecting the data in Bol and Baga Sola.

[2] IOM, Social stabilization in Chad through empowerment of youth at risk in the region of Lac, N'Djamena, January 2016

- Assess the institutional capacity of all stakeholders: government agencies, employers, education and training technical and professional associations of youth and communities.

1.2 OBJECTIVES

This assignment is focused on identifying socio-economic opportunities in Bol and Baga Sola in the region of Lake Chad, for youth at risk, who are members of displaced communities. The objectives of the assignment were to:

- Train IOM staff members and IOM partners on how to conduct opportunity mapping;
- Conduct an actual mapping in the localities of Bol and Baga Sola, Lake Chad region.

The specific objectives of the assignment were to:

- Profile displaced persons (youth at risk) in a socio-economic perspective;
- Map on-going market dynamics in Bol and Baga Sola;
- Identify concrete market opportunities for youth at risk;
- Provide recommendations to the IOM staff on how to help the beneficiaries make optimal use of the identified opportunities.

Photo 1: Detailed map of Lac Chad region

▲=Refugee camps

O=Displacement site

1.3 COVERAGE

The data collection and analysis plan included:

- Profiling in 19 displacement sites (13 in Baga Sola and 6 in Bol);
- Focus Group Discussion (FGDs) with more than 200 displaced persons (50% female);
- Interviews with 86 displaced persons as consumers (almost 50% female);
- Interviews with 65 consumers in host communities;
- Interviews with 20 vendors and 20 service providers in the two markets;
- Interviews with 13 wholesale traders in the two markets;
- Interviews with 5 Business Service Providers in the two markets;
- Interview with 25 local authorities in the two localities;
- Interviews with 2 national and 1 international training providers in the two localities;
- Interviews with two industry experts.

1.4 METHODOLOGY USED

Methodological options

Based on the manual "Opportunity mapping for reintegration" developed by Transition International, standard sets of tools were adapted to specific contexts and further customised to the case of Chad, also taking into account the specific characteristics of the target group. In particular, tool fine-tuning was the result of the discussion with the IOM officers and other development partners in the course of a workshop that took place in one of the localities as final step of the inception phase. Hence, the assessment could be rolled out immediately. The adopted methodology was largely qualitative, with quantitative elements, to accommodate the high-level mobility of the population, as well as the challenging security situations The TI team's solid expertise and triangulation, guaranteed the quality of tools and analyses, as well as gender responsiveness.

TI proposed, considering the limited time span of the assignment, to carry out a Rapid Appraisal (RA) as an iterative and interactive research methodology, which is used to better understand complex market systems in a short time. RA techniques rely heavily on structured and informal interviews with key informants, knowledgeable observers of a subsector and a significant number of participants, at different stages of the subsector. These key informant interviews (KIIs) provide an opportunity to clarify, probe and discover causal links and relationships and identify well defined though poorly understood areas for further research.

This appraisal method specifically aimed at the identification of baseline data and market development related information. In particular, it allowed to:

- Obtain policy-relevant and intervention-focused information about any sub-sector in the Region of Lake Chad, including in-depth information for first level decision-making at the most relevant community level and target groups, in the given short time;

- Avoid the cost, delays and management burden of formal surveys while still providing a practical set of tools for identifying constraints and opportunities, cross-checking observations and planning or monitoring strategic interventions.

Main steps and activities

TI carried out the socio-economic profiling and the opportunity mapping for youth at risk in the region of Lake Chad by undertaking the following steps:

- Desktop research based on secondary data review;
- Secondary market information analysis;
- Analysis of government economic policies and development priorities;
- Tools development, field testing and adaptation;
- Training of local staff, of IOM staff and other development cooperation partners;
- Field research;
- Interviews with internally displaced youth at risk;
- Interviews with host communities;
- Market information from key informants;
- Data analysis and market opportunity identification;
- Validation workshop;
- Reporting.

The process was participatory to the extent possible: two teams comprising international experts and IOM staff carried out the profiling and the market assessment in parallel in the two localities and reconvened for a joint analysis. The exercise incorporated the following features to support the IOM programme and to maximise impact and sustainability:

- Gender sensitivity;
- Participatory approaches at all stages of the study (the voice of beneficiaries should be well reflected);
- Participation of youth and vulnerable groups;
- Conflict sensitivity, in particular the promotion of peaceful coexistence of returnees and host communities;
- Focus on long term sustainability;
- Focus on impact- and action- oriented recommendations.

The following key activities were undertaken:

- Training IOM staff on methodology, tool adaptation, implementation, analysis and reporting;
- Collecting geographic and demographic information on Baga Sola and Bol (income and expenses, type of livelihood strategies, infrastructure, services etc.);
- Identifying the local markets trends, main factors, demands for goods and services in the two areas, mapping existing services and analysing their gaps;
- Compiling existing livelihood activities, their scope and context, particularly current employment and sources of livelihood in the two communities;

- Establishing what youth are already doing: collect baseline youth information according to different aspects of access/barriers to employable skills, employment, current means of livelihood, access/barriers to employment/self-employment;
- Clearly identifying employment/self-employment opportunities for the specific target groups, by vocation/business area in each of the two locations; analysing present and future job opportunities for deprived youth in an unstable market (constraints and potential solutions per opportunity) as well as competency, qualifications and other requirements to get/retain a job and cope with market challenges/changes;
- Providing a rough estimate of how many youths could potentially be employed per opportunity
- Formulating recommendations for specific business development strategies to increase opportunities in the target locations;
- Providing examples of viable projects including the costing.

Data collection and analysis

The data collectors (enumerators) made available by the IOM and trained by TI, were IOM national staff knowledgeable of local contexts and main relevant institutions and actors, and provided a crucial contribution to the analysis of data and information.

Special consideration was given to language and communication skills. Collected data was entered into Excel, using pre-coding for mostly closed-ended questions. Where qualitative answers and open-ended questions were involved, post-coding was done before entry. Structured questionnaires were administered to a sub-group of the displaced youth as consumers in local markets by the trained data collectors.

The rapid assessment allowed obtaining detailed baseline data on key indicators for increased access to decent employment within the formal and informal sector for improved livelihoods. In particular:

- Basic geographic and demographic information;
- Identification and mapping of existing or planned technical and vocational education training (TVET) actors and programmes on offer;
- Baseline youth information;
- Present and future job opportunities and related skills for deprived youth;
- Recruitment processes for youth employment;
- Existing livelihood activities and employment in the communities;
- Potential private sector actors/organisations and/or key persons.

The RA method allowed collecting and analysing data from:

- 214 questionnaires;
- 20 FGD reports with 200 displaced persons;
- 48 semi structured interviews;
- Tables for data on each question in the questionnaires;
- Data grouped and analysed for Baga Sola and Bol on:
    - Internally Displaced Person (IDP) profiling;

- Consumption by displaced persons and host communities;
- Most important commodities and services in the markets;
- Market dynamics;
- Gender disaggregated analysis.

Tools developed

The tools included:

- In-depth interviews with key stakeholders along the value chains (checklist of questions and responses);
- FGDs with displaced persons youth at risk using gender-disaggregated groups;
- Survey questionnaires for consumers, market vendors, service providers, wholesale traders;
- Semi-structured interviews with BDS, vocational training and skills suppliers, industry experts;
- Direct observation of actual situation in terms of needs, livelihood and employment opportunities on the ground.

The tools, the methodology for their utilisation by target group are provided in Annex E.

Applied sampling

The IOM gave an informal indication of 200 heads of households including about 100 internally displaced young women and men at risk each for the two localities of Baga Sola and Bol. The final number to be covered by the semi-structured questionnaires, interviews and focus group discussions was set in N'Djamena.

Moreover, the literature research and the briefing at IOM pointed out the identification of a set of key informants both in N'Djamena and in the two locations. The teams addressed key informants and knowledgeable observers with questionnaires, structured informal interviews and FGDs to clarify and probe, discover causal links and relationships and identify well-defined, but poorly understood areas for further research.

The sampling method applied for key informant's identification was mainly based on the so-called "snowball sampling", with one interview leading to follow-up contacts. Representation in terms of gender, age and (possibly) ethnicity was guaranteed to the maximum extent possible. Data was disaggregated by sex, age and location and analysed as such. The team did not deem as necessary any further disaggregation.

Photo 2: Focus group discussion in Kaya

The sampling of displaced persons included:

- The 200 displaced young women and men at risk that were identified by the IOM among the registered ones;
- The 100 displaced young women and men at risk that were targeted in each locality;
- 50% of the displaced young women and men at risk were also interviewed individually as consumers of the daily markets in Bol and Baga Sola and weekly markets in the villages close to the displacement sites.

For market actors:

- The 10 vendors were selected in Bol and 10 in Baga Sola on the basis of the most recurrent types of businesses;
- The 10 small service providers were selected in Bol and 10 in Baga Sola also on the basis of the most recurrent type of businesses;
- The 13 wholesale traders were randomly selected on the advice of local authorities and development partners and experts active in the areas.

Photo 3: Individual interview with tailor in Bol

For other key informants:

- All available informants involved in BDS, Vocational Training and Skills development, value chain experts were contacted and interviewed;
- All relevant local authorities responsible for local administration and development of the region were interviewed;
- All international and national development partners were contacted and those available in the localities were interviewed.

Displacement sites and communities' participation in mapping

The target groups were addressed with qualitative interviews and questionnaires through the quantitative surveys. Since this was a socio-economic profiling and a market assessment exercise, the team targeted 16 displacement sites indicated by the IOM and markets and market places in the two localities and interviewed vendors and service providers. In Bol region, the team visited 6 displacement sites:

- Kaya
- Yakoua
- Koudouboul
- Melia 1
- Melia 2

- Melia 3

In addition, 4 host communities were visited in Bol region:

- Bol Centre
- Kaya
- Koudouboul
- Yakoua

In Baga Sola, the team visited 10 displacement sites:

- Tagal
- Kousserie 1
- Kousserie 2
- Koulkime 1
- Koulkime 3
- Kafia
- Fourkoulom
- Dar Nahim 1
- Dar Nahim 3
- Dar es Salam (refugee camp)

Also, 6 host communities were visited in Baga Sola region:

- Baga Sola Centre
- Tagal
- Kousserie
- Kafia
- Taal
- Dar Nahim

The enumerators went into the displacement sites and interviewed 10 youths (including 5 women) in each site. In host communities' residential places and in the localities' markets they picked interviewees at random.

In both locations the team interviewed the key informants, the local government and the representatives of the national institutions like Education or Agriculture, the representatives of local communities to get their views and opinions on which markets to develop for maximum benefit of the displaced youth at risk; chiefs of displacement sites, members of displacement sites' committees, traditional chiefs, microfinance institutions, representatives of trade associations and chamber of commerce, UN and international and national NGOs, through one-on-one interviews and meetings gathering different actors. In all these interactions with the displaced persons and local communities at different levels - from the grass-root levels to higher levels – the team found the counterparts very responsive and positive, very welcoming and more than willing to share their ideas and views with the interviewers.

The team found both the displaced persons and communities supportive of the ideas the team shared with them on the purpose of the exercise. There was eagerness and zeal to make sure the assessment is accurate and that it represents the situation on the ground in order to allow the IOM to design effective programmes for the youth at risk. The team is confident that authentic ideas and views were gathered.

Overall, 450 people were interviewed (278 men, 183 women).

Table: Overview of tools used, locations and coverage

Tool	Bol	Male	Female	Baga Sola	Male	Female	N'djamena	Male	Female
1: FGD checklist for Displaced persons Youth at Risk	FGDs with 99 displaced persons; Kaya: 16 displaced persons, Yakoua/Koudouboul (Two displacement sites): 18 displaced persons, Melia1,2,3 (3 sites): 65 displaced persons	57	42	FGDs with 100 displaced persons	50	50			
2: Interview Checklist for Business Service providers	Two interviews with micro-credit agencies, Chamber of Commerce, Sodelac, FONAJ	2	1	Three interviews with Societè de Dévéloppement du Lac (SODELAC), Baga Sola Market support services, Baga Sola Business Association	3	0			
3: Interview checklist for traders	10 interviews with wholesale traders	10	0	Three interviews with wholesale traders	3	0			
4: Interview Checklist for National/Local authorities and international development partners	Nine interviews with Governor, Customs, Municipality, Chiefs of displacement sites (6) One interview with World Food Programme (WFP)	9	1	16 interviews with Governor, Municipality (2), Traditional chiefs (3), Chiefs of displacement sites (10) 9 interviews with WFP, UNHCR, Office for the Coordination of Humanitarian Affairs (OCHA), UNICEF, Food and Agriculture Organization of the United Nations (FAO), ECHO, Oxfam, Care, Chadian red Cross (CRT), SOCADEV,	16	2 (Oxfam, WFP)	11 interviews with: ONAPE, Office National pour la Promotion de l'Emploi (1), UNDP (1), UNICEF (2), UNHCR (1), WFP (3), FAO (2)	9	2 (UNDP, UNICEF)
5: Interview Checklist for Industry Experts	One interview with expert on Spirulina value chain	0	1	One interview with expert of FAO on dry meat value chain	1	0			
6: Market Opportunities Survey Questionnaire for Market Vendors /Service providers	19 interviews with market vendors and service providers	15	4	20 interviews with market vendors and service providers	16	4			
7: Survey Questionnaire for Consumers displaced persons / Host communities	61 interviews with consumers (36 displaced persons, 25 host communities)	34	27	100 interviews with consumers (50 displaced persons, 50 host communities)	51	49			
8: Survey Questionnaire for Training providers	Two interviews with Ministry of Education, DREN	2	0	One interview with Ministry of Education, UNICEF	1	0			
Total number of people interviewed per location	204 total for Bol	128 male	76 female	246 total for Baga Sola	141 male	105 female	11 total for N'Djamena	9	2

Gender-responsiveness

Women in the displacement sites face multiple burdens in terms of bearing responsibility for household work and child care, while lacking comparable authority over, and access to, productive resources and decision-making processes. Gender inequalities are often critical to understanding and addressing the 'weakest links' within value chains and market systems, and the most critical areas for upgrading quality and growth as well as poverty reduction. Gender analysis is often the weakest point of most market and value chain analyses.

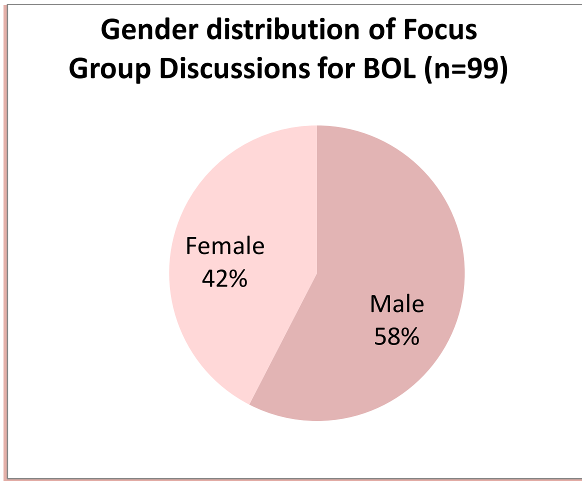
The study endeavoured to ensure balanced gender participation in socio-economic profiling and market assessment surveys by facilitating the participation of women, so that IOM will be able to maximise gender in programme design and in implementation of the ensuing planned activities. Gender issues were, therefore, systematically included to:

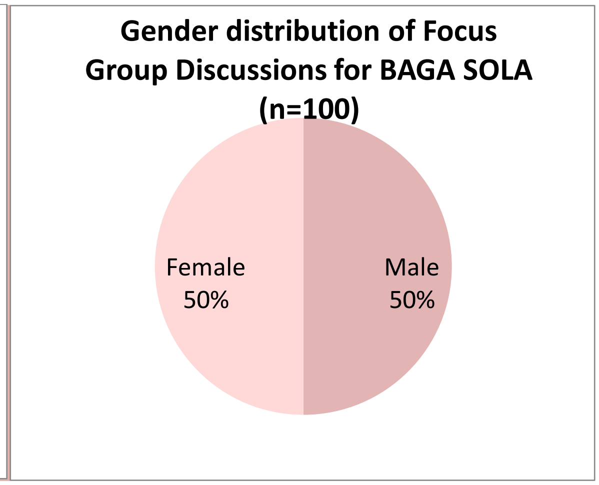
- Prioritise the needs of both men and women on an equitable basis;
- Ensure that gender mainstreaming is achieved at all stages and levels of the process from initial design, analysis, action learning to implementation;
- Give to women voice to communicate their needs and ideas. Fellow woman experts proved to be crucial in allowing women to become comfortable in expressing themselves, before going into deep and accurate data collection. To this end, the team included women to reach out to female respondents;
- Disaggregate data by gender to allow the IOM to:
    - Identify areas of gender difference and assess if this was due to inequality of opportunities or differences in free choice;
    - Mainstream gender equality in equitable planning of activities and identify strategies to enable women to implement them and to promote men's support for changes;
    - Incorporate gender indicators in monitoring.

In order to achieve the above mentioned gender analysis requirements, the team:

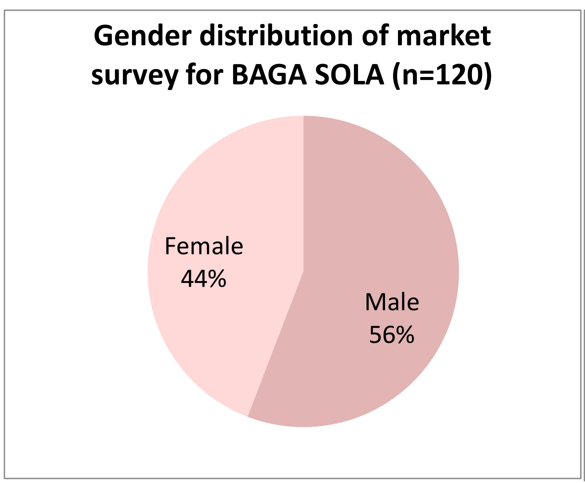
- Developed tools that address gender issues;
- Developed tools that facilitate gender aggregation of data and generation of gender aggregated analyses;
- Trained enumerators to identify and interview women and men and women in a 50:50 proportion, wherever possible.

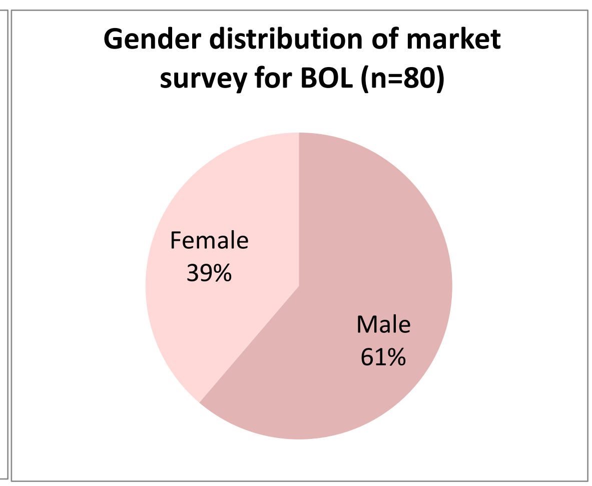
The following graphs visualise the gender distribution of respondents (n=399) in the whole exercise.





Fifty (50) young women and 50 young men were selected as sample of 100 displaced persons (10 groups of 10 persons each in 10 displacement sites) for the socio-economic profiling in the 10 displacement sites around the locality of Baga Sola. The sample group targeted in the 6 displacement sites around Bol was composed of 58% of young men and 42% of young women. This relatively low women's involvement in the Bol region was due to the fact that the FDGs coincided with the distribution of food aid in the displacement sites and women were engaged in collection.





In both localities, in the course of the mapping the team paid special attention to balance the amount of female and male respondents in the different interviews. This was possible only to a certain extent, mostly due to a lack of female vendors/service providers for certain types of business.

This can be explained by the fact that even though in absolute terms there are probably more female vendors (mostly selling agricultural goods), particularly in small and informal market stalls, a number of small businesses are exclusively run by men, e.g. spare parts, clothes, shoes, blacksmiths, tailors, hairdressers.

1.5 THE PROCESS

As indicated, the socio-economic opportunity mapping was conducted through four processes, three of which promoted triangulation of information and data and the fourth one was to establish internal capacity of IOM staff on how to conduct socio-economic opportunity mapping exercises in the future:

- Process 1: Literature research;
- Process 2: Interviews with stakeholders;
- Process 3: Participatory fieldwork;
- Process 4: IOM Staff training and capacity building.

TI experts built the capacity of the IOM staff as enumerators through training in classroom and on-the-job, as well as through coaching, team building and peer reviewing/evaluation of daily results. The IOM staff attended a one-day workshop in Baga Sola, on the 27th of June. UN staff and other development partners active in the region attended the workshop.

Photo 4: Training on opportunity mapping approach and tools

A classroom session of one-day duration prior to the field activity on opportunity mapping approach and tools, based on the TI manual on "Socio-Economic Profiling and Opportunity Mapping";

On-the-job by coaching of the enumerators in carrying out the exercise in the two locations;

End-of-day evaluation and peer reviewing of the results with critical thinking and identification of areas for improvement;

Final joint result analysis session and wrap-up by the two teams gathered in Baga Sola at the end of the assessment;

Capacity building evaluation by the participants.

Roles and responsibilities in the team

Luca Azzoni, as team leader, in charge of the effective and timely implementation of the project, supervision of research staff and of conducting the analyses of primary data, along with Mark van Dorp as international expert. They are the authors of the final report. Through a consultative process with the IOM, the TI team formed a team consisting of IOM staff, who were trained in a classroom session and coached on-the-job, to conduct a market assessment / opportunity mapping and identify potential profitable business opportunities for the target population.

1.6 LIMITATIONS AND BOTTLENECKS OF THE STUDY

- The sample was targeted along the indications of IOM. It does not permit to generalise the indications for the overall population of the Lac region. Sampling did not cover all the displacement sites and host villages around the two localities;
- It was not possible to undertake any mapping of areas to which part of displaced persons expressed the wish to return, due to security situation;
- It proved of no use to map markets in host communities close to displacement sites because no structured market was present in the villages;
- Bol and Baga Sola markets proved still heavily constrained by crisis dynamics (limited circulation of goods and services to and from the region and neighbouring countries);
- In the Ramadan period there was an intermittent provision of services and limited availability of local key informants and respondents;
- The team mobility to communities (displacement sites and villages) was ensured in full respect of the UN security standards and rules applied in the Lac region, which provided a number of restrictions to mobility and working time;
- Road conditions considerably increased the time to reach displacement sites and relevant places.
- Food distribution in the displacement sites by the humanitarian aid agencies coinciding with the IDP profiling exercise reduced the availability of displaced persons and interviews were carried out though several visits.

2. LITERATURE REVIEW

2.1 LOCAL, REGIONAL AND NATIONAL MARKET TRENDS

General overview economic situation in Chad and in the Lac region

Chad, a landlocked sub-Saharan country lacking a coastline, covers a surface area of 1,284,000 Km^2, the majority of which is desert. According to the 2nd National Census of 2009, including refugees, the total population was of 11,679,974 inhabitants, of which 21.9% live in urban areas and 46.4% are of working age, with a natural rate of growth of 3.6% per year.

Photo 5: Map of Chad (Lake Chad region to the north-west of capital N'Djamena)

Indicators on area and population, 2013						
Area			**Population**			
Land area (Thousand square kilometres)	Per cent of arable land and land under permanent crops	Per cent of land area covered by forest	Density (Population per square kilometre of land area)	Urban (Per cent)	Economically active (Thousand workers)	
					Agricultural	Non-agricultural
1 259.2	3.9	4.1	10.4	21.7	3 234	1 970

Sources: FAO, FAOSTAT (accessed November 2015); United Nations/DESA/Population Division.

The official statistics on the population of the Lac region date back to the last census of the Chadian population of 2009,[3] and they have been updated to 2016 on the basis of projections from National Institute of Statistics, Economic and Demographic Studies (INSEED). Total population is now estimated at 555.645, of which 49% women and 43% aged 18 and above, irregularly distributed over 22,320 Km^2, with an average density of 28 hbt/km^2 and growth rate of 3.5% per year.

A small minority (2.5%) lived in urban areas and 3.6% of the population was nomad, with high poverty index (54.1) and a level of illiteracy above 95%. The region was characterised by a diversity of ethnic groups, the main being Kanembu, followed by the Arabs, Buduma and Kuri, distributed in the four departments of: Mamdi, Kaya, Fouli and Wayi.

Chad is one of the most poorly developed countries in the world, with a human development index (HDI) of 0.392 in 2015, Chad ranks 185 out of 188 countries according to the UNDP Human Development Report (HDR). It is, therefore, part of the seven poorest countries of the world.

Chad : Development indicators						
GNI per capita (current $)	**Economic Vulnerability Index (EVI)**	**Human Assets Index (HAI)**	**Income level**	**Human Development Index (HDI)**		**Multi-dimensional Poverty Index (MPI)**
2014	***CDP 2015 review***			**value**	**rank**	**value**
				2013		**2013**
1 010	46	24.4	Low income	0.37	184	..

Sources: United Nations Committee for Development Policy (CDP) database, 2015 review; World Bank, *World Development Indicators* database (accessed August 2015); United Nations, *Undata* database (accessed August 2015); UNDP, *Human development Report 2015*; World Bank Economies Income classification (accessed August 2015).

The main gross domestic product (GDP) composition includes oil for about 37% (the oil industry has been developing since 2004); agriculture: 21%; trade: 13%; other sectors: 29%. Likewise, in the global Africa's economic performance, economic growth in Chad reached a growth of 4.1% in 2015, when the oil-related GDP was projected to accelerate thanks to the start of production in new fields.

The country's main economic activities are those associated with the primary sector such as subsistence agriculture, livestock rearing and fishing and the International Monetary Fund (IMF) estimates indicated a growth of the real non-oil GDP (around 70% of total GDP), by more than 10% per year on average, driven by expansions in agricultural production (partly as a result of government-supported provision of seeds, fertiliser, and tractors).

[3] Institute National de la Statistique, des etudes économiques et démographiques (ISEED), Deuxième rencesement de la population et de l'habitat (RGPH2, 2009), Ministere de l'Economie et du Plan, République du Tchad, 2009

Share of value added in main economic sectors: 1991, 2000 and 2013 (Per cent of GDP)											
Agriculture, hunting, forestry, fishing			Industry						Services		
			Manufacturing			Non-manufacturing					
1991	2000	2013	1991	2000	2013	1991	2000	2013	1991	2000	2013
37.1	42.3	19.8	3.1	2.2	44.3	10.7	9.1	7.0	49.1	46.4	28.9

Source: United Nations Conference on Trade and Development (UNCTAD), UNCTADstat database (accessed September 2015).

The National Development Plan[4] projected that a sustained reduction in the non-oil primary deficit close to 15% of non-oil GDP by 2015 would have led to slight improvements in public debt ratios. Following the exceptionally good climatic conditions in 2012, the supply of agricultural products in domestic markets remained strong, even during the dry season.

The collapse in oil prices and a steep fall in export revenues translated in a sudden falling of GDP growth down to a 2.6% in 2016 (estimated),[5] a rate that, despite the recent pasts positive developments, remains well below what is required to tackle long-term challenges in many parts of the country, including stagnating living standards, high unemployment and poverty incidence. The indicators of macroeconomic outcomes and growth reveal a slowdown of the Chadian economy[6] for 2016, translating into an unavoidable cut in the fiscal spending in response to the large shortfall in oil receipts, a significant reduction in the level of public investment and a fall in domestic demand in 2016 (forecast) and 2017.

Macroeconomic Indicators				
Real GDP growth	63	4.1	2.6	4.9
Real GDP per capita growth	2.9	0.8	-0.6	1.7
CPI inflation	1.7	-6.4	2.7	4.0
Budget balance % GDP	-4.7		-7.0	-7.4
Courrent account % GDP	-8.9	-9.9	-8.6	-8.5

Source: Data from domestic authorities; estimates (e) and projections (p) based on AEO 2016 authors' calculations

After peaking in 2012, annual inflation fell sharply in 2013 to almost 0% due to a sizable fall in food prices and, on average over the period, was expected to converge to Central African Economic and Monetary Community (CEMAC's) 3% targeted annual inflation. Since then, inflation has been volatile, in particular with respect to food and imported consumer goods, due to poor harvests caused by unfavourable rainfall and to transportation difficulties associated with the security problems. Average inflation in 2015 reached 3.6% (against 1.7% in 2014). The external current account deficit widened partly as the result of reduced oil exports and foreign direct investment (FDI) inflows to the oil sector continued to be its main financing source. Despite a reduction in government deposits, international reserves increased slightly to about 2.5 months of imports of goods and services. To this end, the government concluded it would be essential to foster growth beyond the oil sector and diversify the economy through structural reforms aimed at improving the business environment and the quality of public spending.

[4] National Development Plan (2013-2015)
[5] African Economic Outlook, AfDB, OECD, UNDP 2016
[6] African Economic Outlook, 2016

Trade, import and exports

On the total merchandise export, Chad grew from US$ 1,957 million in the period 2000-2008 to US$ 3,600 million in 2014, with a peak of US$ 4,000 million in 2012. Annual average growth rates reached 61,7% in the period 2000-2008 and collapsed to -5.3% in 2014. Almost 85% of non-oil exports come from the livestock sector (nearly 20 million heads) that is projected to generate nearly Central African franc (CFAF) 140 billion yearly.

Product composition of merchandise exports, 2012-2014
(Millions of dollars and percentage shares)

Country	Total exports	Primary commodities				Manufactured goods					Unallocated
		Total	Food and agriculture	Fuels	Minerals, Ores, Metals	Total	Labour-intensive and resource-intensive manufactures	Low-skill and technology-intensive manufactures	Medium-skill and technology-intensive manufactures	High-skill and technology-intensive manufactures	
	($ mill.)	Per cent									
Chad	3933.3	99.0	5.0	93.8	0.2	1.0	0.4	0.1	0.2	0.3	0.0

Source: UNCTAD, UNCTADstat database (accessed November 2015).

In the same period, imports grew from US$ 1,164 million to US$ 4,300 million in 2014 with annual average growth rates moving from 18.3% to 7.5%.[7]

Product composition of merchandise imports, 2012-2014
(Millions of dollars and percentage shares)

Country	Total exports	Primary commodities				Manufactured goods					Unallocated
		Total	Food and agriculture	Fuels	Minerals, Ores, Metals	Total	Labour-intensive and resource-intensive manufactures	Low-skill and technology-intensive manufacture s	Medium-skill and technology-intensive manufactures	High-skill and technology-intensive manufactures	
	($ mill.)	Per cent									
Chad	3933.3	22.8	16.7	5.5	0.7	76.8	6.3	9.2	42.3	18.9	0.4

Source: UNCTAD, UNCTADstat database (accessed November 2015)

The shortage of transport infrastructure, particularly roads, has prevented Chad from tapping the full potential of its community space. Being a landlocked country, Chad's freight costs, which are among the highest in the world, constitute an obstacle to the development of trade.

According to UNCTAD and Organisation for Economic Co-operation and Development (OECD), the cost of transport in Chad, as a percentage of export value in 2011, was the highest among the 15 landlocked countries of Africa and about 50% higher if compared to a representative coastal economy.

[7] UCTAD, Statistical Tables of the Least Developed Countries, 2015

On trade liberalisation and regional integration, with relation to major regional economic communities (REC), Chad has joined CEMAC and Economic Community of Central African States.8. (ECCAS8). The multilateral monitoring mechanism among CEMAC member countries and CEMAC's Regional Economic Program (REP) (Vision 2025) 9 should enhance coordination of the economic policies of member countries and strengthen their integration. Chad is also a member of other communities such as the Permanent Interstate Committee for Drought Control in the Sahel (CILSS), the Community of Sahel-Saharan States (CEN-SAD) and the Lake Chad Basin Commission (LCBC) for the preservation of Lake Chad. The main trading partner at regional level is Nigeria with which the main traded items are cattle on the hoof, hides, skins and agricultural and manufactured products, although the bulk aid is conducted in the informal economy. At global level, oil alone generates nearly 90% of Chad's goods export earnings (in 2014). Cotton, gum arabic and cattle on the hoof are its main export products whilst main imports are agricultural and manufactured goods.[10]

Private sector development

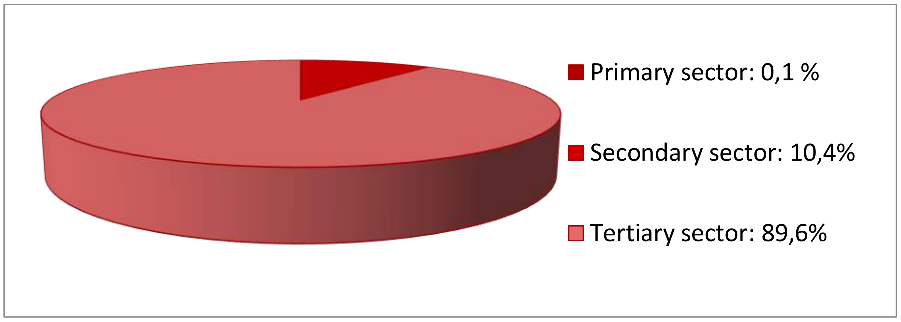
An overall private sector development policy is still under preparation although a new national strategy for small and medium enterprises (SME) / industries was adopted in 2015, providing actions also for the formalisation of informal enterprises. Its impact on the creation of a more enabling environment for SME growth cannot yet be assessed. The total number of identified in and registered micro, small and medium enterprises in Chad is 30,761, in addition to those operating in the informal economy[11]. For the period 2004-2014, more than 2,000 enterprises were established every year in trade (76.2%), manufacturing (9.7%), hotel and restaurants (5.4%), other activities (2.2%), information and communication (1.1%) and education (1.1 %). These enterprises operate mostly in the service sector (89.6%), while the secondary is 10.4% and the primary is 0.1%.

Over 80% of firms operating in training, agriculture, forestry and fisheries, financial and insurance activities are located in N'Djamena as well as more than 50% of the firms operating in transport and storage, hotel and restaurants and information and communication. About 54.3% of trade firms operate in other regions.

About 80% of the registered firms have the juridical form of individual enterprises and above 80% are small enterprises mostly concentrated in commerce.

[8] UNCTAD, Trade Liberalization, Investment and Economic Integration in African Regional Economic Communities Towards The African Common Market, Geneva, 2012
[9] African Development Bank, CENTRAL AFRICA REGIONAL INTEGRATION STRATEGY PAPER (RISP) 2011-2015, Tunis 2011
[10] AfDB, COUNTRY STRATEGY PAPER 2015-2020, 2015
[11] Institut National De La Statistique, Des Etudes Economiques Et Demographiques, Recensement Général des entreprises, N'Djamena, May 2015

Distribution of enterprises by sector



Small enterprises are active in trade (84%) and manufacturing (7,5%); medium enterprises concentrate mostly on trade (34%), manufacturing (29%) and hotel and restaurants (15%). Large enterprises are active mostly in manufacturing (13%), trade (24%), insurance and finance (15%), building and construction (8%), and mining (5%).

The industries that have received investments in financial resources and high technology engage the highest average number of employees: mining (72.5 people per economic unit), building and construction (38.8 people per economic unit) and, to a lesser extent, finance and insurance (13.9 persons per unit) and education (11 people per unit).

Less than 1% of firms are active in agriculture, forestry and fishing, production and distribution of electricity and gas, production and distribution of water, sanitation, waste treatment and pollution and mining because these activities require licenses and permits as well as very high investments.

Micro enterprises are predominant in the informal economy. Their functioning and capacity to create employment are limited by internal challenges (limited human capital, lack of working capital and use of obsolete technology) and external factors (lack of access to microfinance, social and business security insurance services, Business Development Services). The business environment deters informal enterprises from formalisation. Doing business in Chad entails, for example, 9 procedures and 60 days for starting a business or 54 tax payments a year, and total taxes on profit amounting to 63%[12] or difficulty to access to finance scored as very high by interviewed businessmen.

There is a growing attention among national authorities and development partners for social enterprises, particularly cooperative, in the rural / agricultural sector from small, grassroots associations to unions, federations and chambers of agriculture, including for the displaced persons in the site areas for the improvement of livelihoods and productivity while safeguarding aspirations for individual property rights.

In the course of the assessment, displaced persons and local authorities[13] have repeatedly mentioned the opportunity to consider the cooperative option not only for production but also for multi-purpose service cooperatives in the displacement sites. The Union Régionale des Coopèratives d'Epargne et de Crédit (URCOOPEC), a network of 10 savings and credit cooperatives, established in 1990 by United Nations Development Programme (UNDP) in Chad to support the government's strategy of

[12] World Bank, Doing Business Report_ Chad 2016
[13] Interviews with the Prefect of the Lac region, representatives from NGOs: SECADEV, CARE, CRT

strengthening and improving access to financial services by the population, is a best practice that can provide a microfinance model owned by the community that is able to help the poor population that is excluded from accessing the formal financial services.

Employment, youth employment, child labour

On employment and labour market, in Chad[14] the working age population is 7,508,859 and the labour force is 5.268 million (2015 est.) of which 45.2% active and 54.8% inactive.

Employment by sector: 1991, 2000 and 2014 (Per cent of total employment)									
Country	Employment in agriculture			Employment in industry			Employment in services		
	1991	2000	2014	1991	2000	2014	1991	2000	2014
Chad	78.7	79.8	74.9	1.9	1.9	2.0	19.3	18.3	23.1

Source: ILO, Trends Econometric Models (accessed May 2015).

About 80% of the labour force's occupation is in agriculture and about 20% in industry and services; 75% of jobs are in agriculture, 9.1% in services and 9.1% in industry and 7.5% in trade.

The secondary sector is very dense and diversified and consists mostly of enterprises of manufacturing, production and distribution of electricity and gas, production and distribution of water, sanitation, waste management and remediation, building and construction, agro-food (brewery, sugar and cigarettes) and cotton processing units (cotton mills). Oil production led to a transformation of the structure of production and trade and generated a stock of about 4,000 of temporary and permanent jobs.

The tertiary sector includes trade, transportation and warehousing, accommodation and food, information and communication, financial and insurance activities, the professional, scientific and technical, educational and other activities. Trade and transportation, largely informal, such as handicrafts, account for half of the value added of the tertiary sector that contributes to 24% of national Gross Value Added (2006) and occupies almost a quarter of the labour force.

The public sector employs about 125,000 persons of which about 30,000 are civilian staff representing only 3.2% of available jobs.

The unemployment rate is 5.7% and it affects generally more men than women. The highest unemployment rate is recorded at 43.7% in Kanem region. No disaggregated data is provided for the Lac region. The underemployment at country level is estimated at 40.8% and is higher in rural areas (42.0%) than urban areas (35.1%).

In Chad, passive labour market measures like unemployment insurance or benefits are not available. The declining jobs in the public sector and the weak creation of new jobs by the formal private sector compelled unemployed to join the informal economy where most of the jobs are (92.2%) but where productivity and wages are very low. The women's participation is relatively even in agriculture, higher than men in industry (mainly food processing), lower than men in services.

[14] L'emploi au Tchad en 2011, Institut National De La Statistique, Des Etudes Economiques Et Démographiques (INSEED), N'Djamena, Juin 2013

Labour force, agricultural labour force and female share: 1980-2014, selected years												
Country	**Total (Thousands)**				**Agricultural share (Per cent)**				**Female share of agricultural labour force (Per cent)**			
	1980	**1995**	**2010**	**2014**	**1980**	**1995**	**2010**	**2014**	**1980**	**1995**	**2010**	**2014**
Chad	1 516	2 733	4 710	5 381	86	80	66	61	29	51	57	58

Source: FAO, FAOSTAT database (http://faostat3.fao.org/home/E) (accessed May 2015).

In urban areas, women are mostly engaged in business activities (34.7%) whilst in rural areas they are predominantly working in agriculture (83.9%). The majority of employed women are concentrated in the agricultural informal sector (72.2%).

Share of male and female employment by sector: 2000 and 2014 (Percent)												
Country	Agriculture				Industry				Services			
	Male		Female		Male		Female		Male		Female	
	2000	2014	2000	2014	2000	2014	2000	2014	2000	2014	2000	2014
Chad	80.8	73.0	86.0	82.3	3.3	5.7	0.7	1.3	15.8	21.4	13.3	16.4

Source: UNCTAD secretariat, based on data from ILO (2014): supporting data sets: Share of employment by sector and sex (accessed May 2015).

Youth employment is concentrated in primary agricultural sector including agriculture, livestock, fishing and hunting, (75.4 % of jobs), followed by off-trade services (9.5%), industry (8.3%) and trade (6.8%). Data on youth self-employment and business creation disaggregated by region is not available. On a country basis, more than a third of entrepreneurs are comprised in an age of 30 and 50% of entrepreneurs are below 36 year of age[15].

The absence of lack of data does not allow a very precise picture of the youth labour market at country level. Youth unemployment in urban areas is sizable[16] (over 30%) and the constant flow of refugees, returnees and displaced persons compounds the situation. Informal employment is the norm for young people. A noticeable issue is also that of graduate unemployment, which has emerged in the years 2000, with the limitation of recruitment in the public service, and has since grown. In the Lac region, anecdotal evidence and the results of interviews with key informants suggest that the majority of youth (>70 per cent) are occupied in (mostly seasonal) agricultural activities, underemployment is endemic and subsistence activities are the norm.

About 42% of the urban population aged from 15 to 49 years are illiterate (62,6% in rural areas), 20,3% have primary education (25,9% in rural areas), 28,4% have secondary education (9,8% in rural areas), 2,6% have vocational training qualifications (no data for rural areas) and 5.2% have higher education (0.2% in rural). With the exception of primary education level in urban areas (20,3% against 19,9% for men) women education level is lower than men[17].

About 2 million children aged between 6 and 14 years (48% girls) are engaged in child labour (cattle herding and agriculture) and in worst forms of child labour, including in commercial sexual exploitation

[15] Recensement Général des entreprises, Op. cit.
[16] ILO, Chad Decent Work Country Programme 2013-2015
[17] L'emploi au Tchad en 2011, Institut National De La Statistique, Des Etudes Economiques Et Démographiques (INSEED), N'Djamena, Juin 2013

country-wise[18]. The labour code stipulates that the minimum age for employment is 14. The law provides exceptions for light work in agriculture and domestic service at age 12. The legal minimum age for employment, a lack of schooling opportunities in some areas, and tribal initiation practices contributed to a general acceptance of child labour for children who were 14 or older. The government, UNICEF, and local NGOs all support the assessment that existing laws and regulations and their enforcement are not sufficient deterrents against the worst forms of child labour.

Table: Statistics on Children's Work and Education	
Working children, ages 5 to 14 (% and population):	29.6 (1,073,282)
School attendance, ages 5 to 14 (%):	47.7
Children combining work and school, ages 7 to 14 (%):	18.4
Primary completion rate (%):	35.3

Source: Data for primary completion rate: UNESCO Institute for Statistics, Gross Intake Ratio to The Last Grade of Primary, Total, 2015. For all other data: Understanding Children's Work, Project's Analysis of Statistics from Multiple Indicator Cluster Survey 4, 2010

Over 82% of these children work in rural areas, 7.5% in N'Djamena and 10.1% in other urban areas. The sectors of child labour activities are as follows:

Table: Overview of Children's Work by Sector and Activity	
Sector/Industry	**Activity**
Agriculture	Harvesting crops, activities unknown
	Collecting and chopping wood
	Herding cattle
Industry	Mining, including panning for gold
	Building walls
	Making bricks
Services	Domestic work
	Street work, including vending and carrying heavy load
	Begging
Categorical Worst Forms of Child Labour	Commercial sexual exploitation sometimes as a result of human trafficking
	Forced labour in fishing sometimes as a result of human trafficking
	Forced labour in domestic work, herding cattle, begging, street vending, and work in agriculture, as a result of human trafficking

Source: 1.U.S. Embassy- N'Djamena. Reporting, January 21, 2015. 2.ILO Committee of Experts. Individual Direct Request concerning Worst Forms of Child Labor Convention, 1999 (No. 182) Chad (ratification: 2000) Published: 2014; accessed December 31, 2014; 3.U.S. Department of State. "Chad," in Country Reports on Human Rights Practices- 2013. Washington, DC; February 27, 2014;.8. Sufi, Q. "Chad Human Trafficking Challenge: IOM Report." International Organization for Migration, N'Djamena, June 10, 2014. http://www.iom.int/cms/en/sites/iom/home/news-and-views/press-briefing-notes/pbn-2014/pbn-listing/chad-human-trafficking-challenge.html. 9.UNHCR. "La faim, et des choix difficiles, pour les réfugiés luttant pour leur survie en Afrique." July 1, 2014.

[18] .U.S. Embassy- N'Djamena. Reporting, January 21, 2015.

Factors impacting the economy

The government and the international and regional development partners concur that two main factors that have recently negatively impacted the performance of Chad's economy are: the slump in oil prices that caused a reduction of over 60% of the budget revenue; and insecurity in the Lake Chad region caused by Boko Haram and an Islamic State of Iraq and the Levant (ISIS) offshoot in the north that have both triggered a massive influx of refugees, putting added pressure on the country's limited resources.

Since the beginning of January 2015, the violent activity by Boko Haram has been very pervasive, including attacks and suicide bombers both in the Lake Chad region and N'Djamena. In Chad as a whole, the crisis so far has displaced more than 600,000 returnees, displaced persons and Third Country Nationals (TCNs) that have found refuge in the country, including more than 100,000 people from the Central African Republic (CAR) settled in the Sudanian belt. The number of displaced persons in the region of Lac Chad is around 120,000. This emergency situation has turned Chad into the second biggest host country for displaced persons in Africa. "This security situation has brought about a new problem, because we are no longer able to trade with neighbouring countries such as Nigeria. We have major agricultural production, especially livestock which is usually traded with Nigeria, but now the border is hermetically closed…. Thus far, assistance by the international community is very significant, but nonetheless insufficient, given the tremendous challenges Chad faces."[19]

As a result, the real GDP growth in 2015 was estimated at 1.8%, including a 2.9% contraction in non-oil GDP and is expected to further decelerate in 2016.[20]

In addition to the two external shocks (decline of oil prices and the deterioration of security conditions), the economic activity in Lac region continues to be strongly affected by other adverse factors like endemic severe food insecurity, poverty, and lack of access to basic services, high unemployment rates, illiteracy and lack of skills and high rate of youth unemployment. In particular:

Climate change: The region falls in the heart of the Sahel belt, characterised by a very long, prevailing dry season and a short rainy season. Climate change significantly impacts on the large hydrographical systems of the basins of Lakes Chad's natural, agro-silvo-pastoral, fishery (agricultural seasons, biological cycles of crops, production of cereal crop) as well as on human systems and their level of vulnerability. Further aggravating trends impacting on the vulnerabilities of the region include: climate change, the silting and salinisation of wadis and polders, advancing desertification and drying of the land up to the Lake's shores and the human pressure on natural resources due to population movement and demographic explosion[21].

[19] Statement of the Chadian Finance Minister, Mahamat Allamine Bourma Treye, at the IMF-World Bank Spring Meetings in Washington, 2016

[20] IMF, Chad Country Report No. 15/125

[21] WFP, UNICEF and FAO, Report of Seasonal Livelihoods Programming workshops in the Lake region, Bol, 25 - 29 April 2016

Lack of infrastructure: The means of communication and road network are underdeveloped (about 520 km of gravel and sand roads with an average practicability of less than 200 Km from Bol to Massakory) and the navigation on waterways obstructed by grasses. As a result, the region is rather isolated from the rest of the country, in spite of its proximity to the capital city and it is only partially integrated at interregional level.

Photo 6: Main road between Bol and Baga Sola

Human development: The Lac region remains one of the least developed areas of the country (human development index of 0.288 to a national average of 0.377 in 2014) [22] in relation to school enrolment ratio (14.3% of net enrolment ratio against 74.9% of the most developed regions and 43.7% at national level), level of literacy (8.6% against 26.8% nationally), malnutrition (47% of chronic malnutrition), low household purchasing power, unemployment and underemployment of youth, protection, environmental degradation, and health. Women, children, isolated elderly people, the sick, displaced persons, refugees and returning persons are the most vulnerable.[23]

Human capital: The stock of qualified and high skilled human capital is low, due to the weakness of the formal education and TVET system, affected by well-known problems of governance, access by vulnerable groups, relevance of programmes to the labour market needs, career guidance (for instance although the majority of unemployed people have some level of education they have little vocational skills), insertion through youth-job training programme to improve youth employability and create businesses[24];

Weak formal private sector: In the Lac region, there are only 430 registered enterprises (1,4% of the total) of which 1,2% are in the secondary sector and 1,5% in the tertiary sector, whilst no enterprise is registered in the primary sector. This presence of the private sectors is below the national average of Chad that already ranks among the lowest for all business environment's international benchmarks and indicators. The modern (non-oil) sector, SMEs/SMIs and the private investment (infrastructure-related constraints, especially in the energy and transport sectors) contribution to wealth creation is almost insignificant.

Dominance of informal economy: The informal economy is estimated to contribute to almost 43.7% of national GDP in the Lac region, is predominant, and, in the absence of private and public investments,

[22] Le rapport national sur le développement humain (RNDH) de 2014
[23] Intended Nationally Determined Contribution (INDC) for the Republic of Chad, September 2015
[24] UNESCO-UNEVOC, World TVET Database, Chad, Paris, 2014

represents the only factor of dynamism of the local economies. Nevertheless, it is also characterised by negative implications for working conditions, labour rights and decent work.

Low public investments in education: In January 2016, out of 82 schools in the Lac region, 26 schools (30%) were non-functional due to insecurity and the lack of teachers[25]. UNICEF estimated that 53,200 children of school-going age, of whom 25,000 displaced persons and 18,000 are children from the host communities, were in need of access to preschool and primary school in and around Baga Sola and Bol[26]. The illiteracy rate among 15 and over was 95.8% and the percentage of children of school age (6-14 years) who are outside of the school is 62%. A joint evaluation of Action Contre La Faim (ACF), CARE, Cooperazione Internazionale (COOPI), and International Rescue Committee (IRC), carried out in October 2015, revealed that displaced persons were accommodated in school facilities (e.g. in Dar Kanembu, Kafia, Dar Nahim, Kousserie 1 and 2). The displaced persons interviewed by TI mentioned the lack of infrastructure and teachers, rather than different utilisation of school facilities, as cause for low enrolment. The majority of children from displaced and host communities in the displacement sites/host villages around Baga Sola and Bol had attended Koranic schools and the few who attended public schools in their villages before displacement were not currently going to school.[27]

Low public investment in vocational training and skills development: The current level of investment in public and private training (e.g. FONAP, under the Ministries of Planning and Finance) is insufficient to establish a TVET system in the Lac region, from participation of the private sector to building of new vocational schools, recruitment of trainers and teachers, training equipment, on the job and apprenticeship, entrepreneurial skills, safety and health at work, career guidance and follow up services.

Labour market: No disaggregated data concerning labour force, employed, unemployed and underemployed, or new entrants is available for the Lac region. The working age population is now estimated at 555.645 (more than 49% women), and more than 160,000 people aged 15 and above with a participation rate (the employed plus unemployed in the working-age) of children 70% and a participation rate of 46% of children (6 to 14 years of age). The official unemployment rate was recorded at 1.9% in Lac region whilst underemployment in the informal economy in rural areas at national level was recorded at 43% for non-agricultural sector and 37% in the agricultural one.[28]

The lack of active labour market policies: Active labour market policies (ALMP) and measures existing at national level partially cover the Lac region, like in the case of FONAJ (Fonds National d'Appui à la Jeunesse), under the Ministry of Youth, supporting youth insertion through employability, employment and self-employment. Other programmes or agencies supporting youth entrepreneurship and self-employment like ONAPE (Office pour la Promotion de l'Emploi) under the Ministry of Labour and Public Function, and the FONAP under the Ministry of Planning have no offices and network support in the Lac

[25] UNOCHA, Situation in Lac region and the impact of the Nigerian crisis, Situation report n°10 (18/01/2016), January 2016.
[26] UNICEF Chad humanitarian situation report, 31 December, 2015
[27] Chora, Rapport d'enquête rapide réalisée dans les villages affectés par la crise de Boko Haram autour de Bol et sur l'axe Bol-Baga Sola, October 2015
[28] L'emploi au Tchad en 2011, (INSEED), op.cit.

region.

The "Declaration on the fight against radicalisation and violent extremism in the Sahel", adopted in Niamey 14 May 2015 by the Ministers in charge of Security and Religious Affairs of the countries of the Sahel G5, stated "Developing opportunities for socio-economic integration for young people at risk to prevent their radicalisation" as urgent and priority measure.

The Chadian state's capacity to implement the public investment programmes foreseen in its economic policy is being severely challenged. The significant expenditure in 2015 on dealing with the threats and violence of the terrorist group Boko Haram and jihadist movements, including military operations and preventive security measures, also affected the country's economy.

The reduction in the level of public investment is expected to impact on another important aspect of the structural transformation of the country's emerging economy, which is the development of a more efficient organisation of urban spaces that would enable cities and towns to become effective centres of production and, thereby, contribute to job creation, strengthening the country's social cohesion and the resilience of its economy.

2.2 POTENTIAL MARKET OPPORTUNITIES AND CONSTRAINTS IN THE LAC REGION

The development potential of the primary sector in Chad entails a significant crop land (39 million hectares, including 5.6 million irrigated), and abundant surface water resources (potential river water is estimated to average 21.8 billion m^3 per year) and potential groundwater annually exploitable but underutilised (253-544,000,000,000 m^3), an important livestock sector and most varied in the sub region (to 20 million heads in 2010), various important mining and oil resources.

The Lac region has a border position with Cameroon, Niger and Nigeria that confers a strategic role related to trade flows. Administratively, it counts two departments, eight sub-prefectures, twenty-three cantons and three thousand four hundred and fourteen villages. It is part of the Sahelian Zone (200 to 700 mm of rainfall), and consists of wetlands areas (open water and wetlands), flood (islands, shorelines and their immediate hinterland) and 'land' (or continental, dune area). The current water surface of the lake and its landscapes is the results of a transition started in 1994 and stabilised in the state of 'Small Lake Chad': an open water area of nearly 1,700 km^2 in front of the Chari delta, swamps of the southern basin which are flooded most of the time, irregularly flooded swamps of the northern basin, and a perimeter of areas dried in the early 1970s.[29] These changes are the result of human pressures, environmental degradation and climate change - including the great droughts of the 70s and 80s.

The Lake area comprises the agro-pastoral zone to the east and the agro-pastoral and fishing zone in the west allowing agriculture and vegetable growing; livestock; fishery; the sale of timber and collection of wild products (hunting / gathering); trade (including small business) and transport; crafts and small businesses and mining (natron). The population is engaged in own-account or waged labour agriculture

[29] The World Bank, The Lake Chad Development and Climate Resilience Action Plan, Lake Chad Basin Commission (LCBC), November 2015

in flood recession and rain-fed agriculture in the so-called mainland or in the islands; in livestock, fishery in the island area, and rural off-farming and in non-agricultural activities. Traditionally, the population moves around the lake for economic reasons. The Lac region is a hub for trade with neighbouring countries, though exchanges have been greatly reduced due to the Boko Haram crisis.

The main productive sectors are: water resources, agriculture, livestock, fishing, gathering, handicrafts, and forestry. The main activities are: agriculture, fishing, livestock rearing, and the trade of the respective products. Agriculture's performance in 2015 suffered from a lack of rainfall, resulting in a sharp decline in cereal production of around 12% according to government estimates[30]. The productivity of agricultural land totalled to US$ 33 per hectare. According to final data from the Ministry of Agriculture,[31] the 2015/2016 agro pastoral campaign saw a drop in cereal production by 11% compared to last year, and 9% compared to the five-year average. The largest decreases were observed in areas of the Sahel of which the Lac region is part. Top import agricultural commodities in Chad in 2011, according to FAO, were the following:

Rank	Commodity	Quantity (tonnes)	Flag	Value (1000 $)	Flag	Unit value ($/tonne)
1	Flour of Wheat	53289	2	27950	2	524
2	Food Prep	6117	7	20795	3	3400
3	Sorghum	48757	3	15600	4	320
4	Tobacco Products	561	22	9628	5	17162
5	Milk Whole Dried	1147	15	6811	6	5938
6	Beverage Non-Alcoholic	5830	8	5190	7	890
7	Wheat	29598	4	4152	8	140
8	Malt	6681	6	3858	9	577
9	Maize	12590	5	2993	10	238
10	Wine	2175	10	2729	11	1255
11	Oil of vegetable origin	1270	14	2258	12	1778
12	Beverages Distilled Alcoholic	617	21	2023	13	3279
13	Macaroni	1498	13	1700	14	1135
14	Pastry	806	18	1518	15	1883
15	Sugar Refined	3500	9	1500	16	429
16	Infant Food	125	30	842	17	6736
17	Fruit Juice	696	19	693	18	996
18	Flour of Maize	1871	12	619	19	331
19	Chocolate Products	146	27	560	20	3836

Whilst the top exports agricultural commodities by Chad in 2011 were:

30 Ibidem, page 24

31 EFSA The SISAAP in collaboration with the Government Services Providers Information (INSEED, DNTA, DESPA, SIPSA, SODELAC, ONDR), and their technical partners (WFP, FAO, FEWS NET) conducted from March 25 to April 7, 2016 review deep-silence on the Food and nutrition security in emergencies. A sample of 4,821 households with 10,226 children aged 6 to 59 months covering eight regions of the Sahel including the Lake Region.

Rank	Commodity	Quantity (tonnes)	Flag	Value (1000 $)	Flag	Unit value ($/tonne)
1	Cotton lint	14995	1	41921	1	2796
2	Hides	183	3	221	2	1208
3	Groundnuts shelled	412	2	33	3	80
4	Tea	14	8	28	4	2000
5	Tobacco, unmanufactured	20	7	27	5	1350
6	Cake of cottonseed	71	4	5	6	70
7	Vegetables fresh	2	9	4	7	2000
8	Cake of Groundnuts	21	6	2	8	95
9	Cottonseed	70	5	1	9	14
10	Fruit Fresh	1	11	1	10	1000
11	Skins (dry) sheep	2	10	1	11	500

Agriculture in Chad, according to the census, employs over 75% of the labour force and is practised on a surface area of almost 39 million hectares of arable land (of which 2.2 million hectares are cultivated). The sector also has enormous potential in terms of livestock population and quality.

Total economically active population in agriculture: 1980-2013, selected years (Thousand workers)					
Country	**1980**	**1990**	**2000**	**2010**	**2013**
Chad	1 298	1 871	2 441	3 090	3 234

Source: UNCTAD secretariat calculations, based on data from FAO, FAOSTAT database (accessed August 2015).

In the Lac region, agriculture is the main activity both in terms of economic importance and number of persons employed in the sector (about 90% of the population). It mostly practices traditional, extensive, subsistence farming, based on cereals (pearl millet, wheat, sorghum), with little equipment and low mechanisation, leading to low inputs and low yields as well.

The state, with the support of World Bank and African Development Bank, has developed about 3,000 ha of polders with total water control, more than 9900 ha of polders in controlled submersion and 35 ha of wadis, equipped drilling that allows two to three crops per year.[32] The 1994 Master Plan by SODELAC estimated between 120 000 and 140 000 hectares the polders and wadis that could be mobilised into farmland. The area's polders, wadis and dunes have very high potential for agriculture, based on the possibility of two to three crops in the year, depending on the level of floodwaters and rainfall. The polders, as irrigated agricultural areas, have been built on the shore of the lake with high state investments (polders with controlled water irrigation) or in a traditional way.

In particular, the rain-fed campaign runs from mid-June to mid-October and the main crops are: millet, sorghum, cowpeas, maize and other vegetables. The off-season (or dry season) comprises the cold off-season (mid-October to mid-March) and the hot off-season (from mid-March to mid-June). During this period, the main crops are: cereals (maize, wheat, sorghum, *berbere*, rice); legumes (beans, fenugreek, black cumin, peanuts, beans); tubers (cassava, sweet potato, potato); vegetable crops (tomato, onion,

[32] P-SIDRAT, Schema Regionl d'Amenagement du Territoitr 2014-2025- Region du Lac, Ministere de l'Amenagement du Territoire, de l'Urbanisme et de l'Habitat (MATUH)

pepper, okra, cucumber). This information comes from the Master Plan of Development of the Lac region funded by the Asian Development Bank (ADB).

Value chains in the agro-silvo-pastoral sectors in Chad

1. Cereals (sorghum, millet, rice, wheat): cereal production (rice, sorghum, corn, wheat), currently averages to 1 million tonnes per year and are the main food for the population. It varies from 344,000 tonnes in drought year to 1.28 million tons in year of good rainfall. This is a subsistence chain.

2. Fruits and vegetables: underdeveloped though the production, mostly concentrated in some areas, remains difficult to quantify. The processing mostly consists of drying. It is considered a promising value chain.

3. Roots and tubers: cassava, sweet potato, yam, taro, and potatoes. The annual production is 370,000 tons for cassava, and 50,000 tonnes for sweet potato. The development of this chain is expected to a substantial contribution to food security.

4. Cotton: cotton is the main cash crop and contributes to 12% of GDP in height (primary and secondary sector).

5. Sugar industry: Sugar production is ensured by the SONASUT, which operates about 3,500 hectares of sugar cane irrigation scheme. It is 30,000 tons per year, well below the estimated national need 60,000 tons per year.

6. Livestock sector: associated with agriculture, with over 12 million head all confused livestock (cattle, sheep, goats, horses, camels, donkeys, porcine). Livestock value chains include: transport, tillage and fertilisation, meat, milk and dairy products, and leather, hides and skins. Production of white meat (poultry, pigs) is still poorly developed in Chad. The local poultry production is estimated at 24 million head. Hides and skins potential are estimated at over one million pieces.

7. Forest: gum arabic is an important resource and the existing potential (380.000 km2 of gum trees) can place Chad among the first world producers. Shea is a high potential. Only 4-5% of 50-60000000 of inventoried trees is exploited. Jujube, kreb, savonnier, tamarin, and baobab also constitute a significant component of the rural economy as part of the development of forest products.

8. Fishing and hunting: fishing includes 30,000 operators, producing about 80,000 tons of fish per year. Traditional techniques are still sometimes negative impacts. Sport hunting is practiced in hunting areas (2 sites) and controlled hunting areas adjacent to protected areas.

Source: Government of Chad, Ministry of Agriculture (http://tchadma.tripod.com/strategies.htm)

The livestock sector plays an important role in the national economy. It represents 53% of gross domestic product (GDP) and provides direct or indirect revenues to 40% of the population. According to the overall results of the general census of livestock, launched in April 2014, Chad has more than 94 million heads of livestock of all species (cattle, goats, camels, etc.) against the 40 million recorded by the 1976 census[33]. In the Lac region, in 2012 there were 1,351,082 heads of cattle, 1,069,605 ovine, 1,088,077 goats, 67,544 horses, 135,088 donkeys, and 695,564 camels. The annual growth rate is 2,4% for cattle, sheep and goats and 3% for camels.

[33] The Livestock General Census _provisional results, The government of Chad, AFDB, EU, FAO, April 2016.

Photo 7: Camel herders in Lake Chad region

Livestock is penalised by insufficient water sources, productive pastures, pastoral infrastructure (vaccination centres, slaughterhouses), the upsurge of animal disease and a low rate of support services for farmers by public structures as well as by contradictory strategies of area occupation that trigger confrontations, sometimes violent, between farmers and herders for access to resources. Cattle raisers indicate that non-optimal livestock exploitation, difficulty of access to markets and lack of accompanying measures as the causes of weaker revenues. As far as the difficulty to access markets, the Chadian livestock system is practiced extensively, is characterised by a low production capacity and processing due to the inadequacy of slaughtering and processing infrastructure and the lack of qualified professionals. This type of livestock is also faced with trade and customs transactions constraints related to competition with subsidised products, the lack of financial transaction structure between Nigeria and countries of CEMAC, and the absence of free trade zones that can facilitate exports of livestock products.

Finally, it is faced with transport problems and conveying animals due to poor roads (roads and undeveloped tracks), the development problem (lack of refrigeration equipment), airports and maintenance chain cold, and finally the lack of air link with meat importing countries. The lack of accompanying measures mostly concerns the low development of financial activities and services for livestock and the poor access to food inputs. Livestock food situation is expected to be compromised by early rainfall during the rainy season, poor availability of pastures in places without water points, bushfires and early drying water surface[34].

Fishery in Lake Chad basin, although still productive, had experienced reductions from catches of 220,000 tonnes per annum in 1974 to 100,000 tonnes in 2011[35]. In the region, fishery is an important source of food, income and direct and indirect employment and fishing is not usually an isolated livelihood activity. Individuals usually integrate it in other sectors, especially agriculture.

[34] Plan National de Developpement de l'elevage (2009-2016), Ministère de L'elevage et des Ressources Animales, June 2008

[35] Solomon I. Ovie, Identification and reduction of climate change vulnerability in the fisheries of the Lake Chad Basin, FAO/Lake Chad Basin Commission Workshop 18–20 November 2011 N'Djamena, Chad 2011

In Chad, the total fishery production is estimated at 150,000 tonnes per year while the actual production is about 61,000 tonnes annually, fluctuating according to rainfall and pressure on the resource. Of about 70 species present in the lake, 60 are of commercial value. Fisheries resources are important for food security, poverty reduction and sustainable development; overall, fisheries contribute 4.5 percent of the GDP of Chad.

Photo 8: Fish market in Bol, on the shores of Lake Chad

The complex fishery and aquaculture communities and economies of the lake are facing multiple changes like natural variability due to climate change, demographic boom, overfishing, lack of land and aquatic resource management, and water management. As a consequence, the migration of fishers searching for better fishing grounds increased as well as the movement of pastoralists searching for water sources, with the consequence of an intensification of localised conflict over natural resources and land use.

The plans for strengthening and financing aquaculture initiatives in the Lac region as alternative option to mere capture fisheries include:

- Development and skills training on fishing technique;
- Provision of fishing tools and boats;
- Improvement of fish processing, preservation and cold chain facilities;
- Infrastructure such as landing sites and post harvesting processing facilities;
- Access to credit in the fishing sector through micro financing and revolving loans;
- Creation of spatially and temporally flexible reserves or protected areas;
- Value chain increasing profitability.

To date these comprehensive actions integrating efficient water use, rice/fish farming, drought resistant crops and animals, addressing mixed communities of farmers/herders/fishers across the food production systems are only partially implemented.

Poultry farming is developed in the region, but it is regularly confronted with the disease transmitted by the affected poultry, wild birds, and contaminated eggs.

The National Survey on Food Security, conducted in October 2015, showed that about a quarter of Chad's population is food insecure, with 6% affected by the severe form of insecurity (3,094,741 people, including 706,831 severely food insecure). The regions of the Sahel have been most affected.[36]

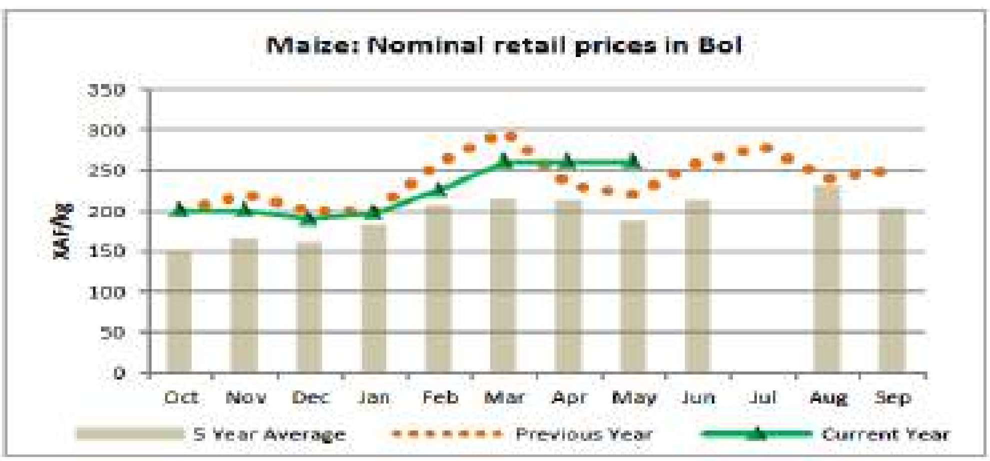
[36] WFP, National Survey on Food Security in Chad, December 2015

As indicated in the regional market assessment of the Lake Chad basin[37], the Lac region is considered to have the best access to supply markets, with an average distance of 50km to the main market supply for cereals, with a transport time of a maximum of six hours in both dry and raining season, with an average transport cost of 1US$/MT/km, a maximum of three regional checkpoints, and an average amount of tax paid by drivers of US$ 11.

Local markets

Millet prices recorded in Bol have more than doubled between October 2014 and end of 2015, reaching CFAF 323 per kg, and keeping very high levels of volatility that may originate from large seasonal variations, whilst sorghum is considerably cheaper probably because sorghum is the first produced cereal in Chad.

In the markets of Bol/ Baga Sola, maize prices rose 22% compared to the average of the last five years, though in the Lac region of Chad are found the lowest prices for it is the main source of maize supply of the country.



Source: FEWS NET. Chad Price Bulletin June 2016

Rice prices also recorded increases compared to the same reference period. Overall, prices of imported rice have remained stable over the period.

Prices of millet, sorghum and maize underwent seasonal variation of significant magnitude in the Lac region of Chad. Price gaps of millet between the extreme months ranged from 34 to 181 CFAF/kg in Bol, where prices are halved between August and October 2015.

[37] WFP, Lake Chasd Basin Crisis _ Regional marker assessments, January-February 2016

The prices of livestock markets were generally down (because of the poor physical condition of livestock, difficulty exporting cattle to Nigeria because of the crisis linked to Boko Haram, weak domestic demand). This weakens the purchasing power of agro-pastoral households, and results in deterioration in terms of cattle-cereal trade. Similarly, to the markets of Oum Hadjer (Batha), Moussoro (Barh El Ghazal) and Mao (Kanem), the sale of a sheep respectively reported 91 kg, 69 kg and 102 kg of millet in February 2016 against 144 kg, 97 kg and 108kg compared to the average of the past five years.

Photo 9: Cattle en route in Lake Chad region

In Mamdi department, between Bol and Baga Sola, which is the most important livestock market of the region, the security situation has slowed down commercial activities by lowering the attendance of traders in markets. Fewer stocks than in previous years were noticed, as pastoralists are not able to sell cattle to incoming traders.

2.3 GOVERNMENT POLICIES AND PLANS: HOW THEY AFFECT THE LOCAL MARKETS

National policies and local governments

The National Development Plan (NDP) (2013-2015) is the strategic framework of the country. It is an extension of the two previous National Poverty Reduction Strategies (2003-2006; 2008-2011), indicating eight priority objectives, namely: (i) sustained growth; (ii) food security; (iii) job creation and access; (iv) human capital development; (v) private sector development; (vi) development of information and communication technologies (ICTs); (vii) protection of the environment and adaptation to climate change; and (viii) improvement of governance. This NDP also promoted gender mainstreaming in programmes and projects.

The total cost of implementing the NDP Priority Action Plan was estimated by the government back in 2013 at CFAF 3,727 billion (US$7.4 billion), excluding salaries, goods and services, with an estimated financing gap of CFAF 1,577 billion (US$3 billion).

The NDP and the National Food Security Programme (PNSA) are the pillars of the next five-year plan (2016-2020) and support the Chad’s Vision 2030. By implementing this new strategic development framework, the government intends to improve economic and financial governance, facilitate the structural transformation and diversification of its economy, with a view to laying a sustainable foundation for a process that is expected to lead to economic emergence by 2030.

The government, with the support of the development partners, is engaged (NDP 2013-2015) in socio-economic development of the vulnerable segments of the population including women and youth, and the most deprived areas of the country. The main lines of actions focus on consolidation of peace, food security, nutrition and rural development, sustainable management of natural resources, consolidation of the rule of law, implementation of reforms of justice, human rights, participation of civil society and citizens in public life, public finance management.

The effectiveness of public action, diversified economic growth and the attractiveness of the economic framework are measured in terms of Infrastructure, governance, and human resource development. Project in support of reform of the education sector in Chad (PARSET), Projet d'Appui à la Politique Sectorielle pour l'Education au Tchad (PAPST), the Intermediate Strategy for Education and Literacy (SIPEA), Education Sector Support Project (PASE) including building of classrooms, training for teachers, purchasing textbooks and manuals for students and strengthening of public school administration.

Chad has a National Adaptation Programme of Action (NAPA) listing priorities related to fisheries; early warning systems on weather events; building preparedness to potential climate change impacts; and improvement of information, education and communications for adaptation to climate change. These priority activities aim to enhance quality of forecasting, improve the communications and information flows and strengthen the national strategy on risk management in relation to climate change.

The poverty reduction for communities depending on the natural resources available in the Lake Chad basin is supported by the Lake Chad Sustainable Development Programme (PRODEBALT) that includes four main components:

- Protection of the lake and its watershed ecosystems through soil restoration and water conservation and regeneration of pastoral ecosystems; prevention of proliferation of invasive aquatic plants, protection of endangered breeds; knowledge and plans for optimal water management in the basin;
- Monitoring network for sustainable management of forest resources, pastoral areas and fisheries;
- Research, studies and skills building to develop a master plan to tackle erosion and siltation;
- Regional coordination.

PRODEBALT aims at harmonising activities regarding water supply, siltation, agro-forestry and reforestation, preservation of threatened species and implementation of management plans for natural resources by LCBC member countries. PRODEBALT intends to create a master plan for fisheries management of the Lake Chad and a regional monitoring and production of statistics on fishery. It also supports special programmes, such as the funding of 200 micro-businesses for women on Spirulina (Cyanobacteria -blue-green algae), harvesting and processing and selling of final products.

The Lake Chad Basin Commission (LCBC) and its six member-states, supported by the World Bank Group and the French Development Agency (AFD), have prepared the Lake Chad Development and Climate Resilience Action Plan (LCDAP) for the period of 2016- 2025.

The Ministry of Environment and FAO: projects currently underway in Chad, implemented jointly with the focusing on aquaculture development in the region, and capacity building of local communities, projects focusing more on national food security in general and research into the uses and harvesting of Spirulina, directed at developing quality and marketing options.

The National Livestock Development Plan 2008-2015, by the Ministry of Livestock and Animal Resources, aimed at a sustainable increase of livestock production through the development of livestock production systems, the strengthening of the provision of support services, including veterinary services and vaccinations, and the availability of professionals of livestock industry for the breeders, herders and livestock farmers, the support to associations for pastures and water joint management mechanisms and resolution of conflicts.

The overall policy framework for development of the Lac region is the Regional Development Plan 2014-2025[38] that provides a coherent framework for social-economic and environmental development, multi-level governance from local associations and rural communities to the prefectures over a period sufficiently long to allow planning, implementation, monitoring, evaluation and continuous adjustments.

The instruments to implement policies, strategies and programmes at sub-region level are the Local Development Plans (PDL) for the "Canton" (districts) developed with the support of the European Union (EU)[39]. A series of Local Development Plans for the "Canton" of the Lac region propose development options based on a participatory assessment approach and represent an attempt for a balanced decentralisation of resources for pro-poor activities.

As part of the initial decentralisation of governance, PDL have been prepared with the support of experts who conducted the respective situation analyses. In addition to a mechanism for participatory implementation, they comprise an analytical framework addressing the following main outcomes: peace building, governance and rule of law, livelihoods and the productive sector, and basic service provision. The PDL of the Canton of Nguelea, that comprises the locality of Baga Sola, indicates seven specific priority areas for intervention for the period 2016-2018.

Furthermore, the decision taken by the government to secure the territory through military operations against the armed groups, including the closing of the borders between Chad and Nigeria, the ban of motorised boats, and the displacement of island villagers, have brought the consequences of substantial population movements from the island area of the Lake District to the shores of the lake and the mainland. In turn, this has led to a sharp slowdown of trade flows and markets' supplies between the 2 countries, stopping the fishing activities, and forcing communities to abandon their productive assets and their wet pasturelands.

[38] Ministere de l'Amenagement du Territoir, de l'Urbanisme et de l'Habitat (MATUH), *Schema Regional d'Amenagement du Territoire 2014-2025_* Region du Lac, N'Djamena, August 2014

[39] Programme d'Appuis au Développement Local et à la Gestion des Ressources Naturelles (PADL-GRN), EU and Government of Chad

Displaced persons

A limited number of humanitarian actors systematically collect information on people and vulnerable communities in the region. The IOM provides the profiling of displaced persons, the United Nations High Commissioner for Refugees (UNHCR) collects information on refugees, mainly focused on the Dar es Salam displacement site, the WFP provides a market analysis on a biweekly basis to which are to be added specific, sectoral and multi-sectoral assessments and evaluations conducted by humanitarian actors.

Nevertheless, it remains difficult to have an overview of the humanitarian situation and needs in the whole Lac region, because of the magnitude of needs (and the large number of villages to identify) and the difficulty to aggregate the results of the various investigations conducted with different methodologies and/or units of measurement.

In the Lac region, over 110,000 people - returnees, displaced persons, Third Country Nationals (TCN) and refugees - are displaced and are mainly distributed in the prefectures of Bol (8749), Baga Sola (30319) Liwa (11733) and the sub-prefectures of Kangalam (3774), Daboua (8685) and N'Gouboua (4331).

UN OCHA, following a new registration mission by the shelter / non-food items (NFI) / camp coordination and camp management (CCCM) cluster and capturing the sporadic threats within Lake Chad basin, reported the situation as of June 2016 as 111,683 displaced persons, including 74,800 registered and 36,883 estimated displaced persons.

The IOM has been leading the registration and profiling of displaced persons from Nigeria, Niger, Cameroon and Mali by using IOM's Displacement Tracking Matrix (DTM). Furthermore, the IOM has conducted physical registration and profiling of the displaced persons in the Lac region and succeeded in registering 60,036 displaced persons as of 2 April 2016. These numbers are expected to increase as the IOM is still conducting its registration in new areas of displacement.

As a part of durable solutions for returnees in the country, the IOM has been assisting the Government of Chad to support the reintegration of returnees from Libya, Sudan and the Central African Republic since 2012. The model has proved effective and can be modified to the different context in the region of Lac to provide socio-economic assistance for youth at risk.

Since May 2015, the IOM, as co-lead of the Shelter/NFI/CCCM cluster, ensured registration and profiling of 67.591 displaced persons, excluding refugees. An estimated total of 45,000 people is still unregistered until today. About 30% of the displaced populations are profiled in the age group 18 to 40 years. The IOM is committed to contributing to the stability of the region through addressing the following key points: 1) to improve the limited access to lights through installing solar generated street lights; 2) to raise awareness on potential risks especially for youth; 3) to empower vulnerable unemployed youth at risk through access to semi-durable housing and livelihood activities, with IOM's capacity available both globally and specifically in Chad.

The Kanembu, the Kuri and the Buduma, are, respectively, farmers, breeders and agro-pastoralist-fishermen, who originally lived on the polders of Lake Chad. The Buduma are the main breeders of a local cattle breed called "Kouri" (unique in the world), that has adapted to live on land and in water in the islands of the Lake Chad. The influx of displaced persons is worsening the already poor living conditions in the region, it increases the completion for scarce resources, jeopardises its stability and could provide a potential fertile environment for terrorist/ extremist groups to further recruit and expand their activities in the region.

The Boko Haram crisis has induced multiple effects on the livelihoods of all people in the region: the displaced population, host population and other non-displaced population[40]. The main negative impact observed on the displaced population was the loss of active members of families, the loot of household goods by armed groups and the loss of productive assets (tools and production equipment, seeds, animals, etc.).

The main negative effects of the Boko Haram conflict on both the displaced and non-displaced populations were identified as the loss of access to islands and to agricultural production areas, pasture and fishing areas, as well as to deep waters due to the fishing bans; the interruption of transhumance corridors causing excessive livestock concentration and overgrazing; the closure of borders, block of and/water commercial ways, the discontinuity of marketing channels (cattle, fish products, etc.) and supply chains, particularly with Nigeria. In turn, all these factors caused a generalised loss of sources of income and job opportunities; higher prices of food and non-food items and the increased level of violence and juvenile delinquency.

Main effects of the Boko Haram crisis on the host population were mainly increased pressure on natural resources (agricultural land, firewood, water, pastures, etc.), and their forced sharing with the displaced persons; increased conflicts between farmers, breeders and fishermen, additional pressure on access to already scarce basic social services. To prevent the recruitment in terrorist / extremist groups engaging in violence or illegal activities, targeted persons and displaced young people at risk need to be provided with post-emergency actions like tailor-made assistance for socio-economic reintegration that can stabilize the communities and build peace and provide decent job opportunities.

[40] WFP, UNICEF and FAO, Report of Seasonal Livelihoods Programming workshops, Op. cit.

3. DISPLACED PERSONS SOCIO-ECONOMIC PROFILING

The literature review provided an overall picture on the situation of displaced persons and host communities that integrates the findings of the work done by the team more in depth, although on a smaller scale. The team met two hundred (200) displaced persons in 16 displacement sites (10 around the locality of Baga Sola and 6 around Bol) considered as youth ranging from 18 to 45 years of age. In the local context, the age group of 18 to 45 is considered as youth.

Because of their wide age ranging, they were a non-homogeneous, uneven and diversified population sample in terms of visions of the future, expectations, priorities, attitudes and ideas. At the same time, they recognised some of the same push factors that forced them to displace, irrespective of age, ethnicity or gender.

3.2 FEATURES OF THE TARGET POPULATION

The displaced persons interviewed in the 16 displacement sites in Bol and Baga Sola all indicated the goal of better lives, prospects and opportunities for their families, effective social and economic integration in decent productive life and full citizenship in a country that for a long time has dedicated to them only a marginal portion of country's resources for social and economic development.

They stated that they have undergone different levels of difficulties and the main push factors for their initial displacement were violence and/or insecurity and forced movement as measures adopted by the government in response to the crisis. The majority declared that they suffered attacks of Boko Haram (the have lost everything, including family members that were killed and their villages looted). They also mentioned access to resources for increasing their main economic activities (water, pastures, irrigated land, markets), prospects of higher income and better food and access to more and better services.

Another large group stated that they fled preventively for fear of attacks by Boko Haram and were able to take with them some resources, which are gradually depleting. Others were evacuated upon request of the government / military and could take some resources with them. Some groups preventively evacuated or moved to more favourable displacement sites, where they are mostly engaged in agriculture and livestock (Arabs). To a lesser extent, some disclosed that they continued to commute between their villages of origin on the islands and the displacement sites, consciously running the risk related to the situation in combat zones.

3.3 PROFILING OF DISPLACED PERSONS IN BAGA SOLA AND BOL

The main items discussed with the displaced persons in the course of the socio-economic profiling were:

General concerns and aspiration

As general concerns and aspirations, they indicated settlement and housing as very important because they are living in houses of straw or in tents and in more precarious conditions than those of the host population, though the visible level of shelter varied in the displacement sites.

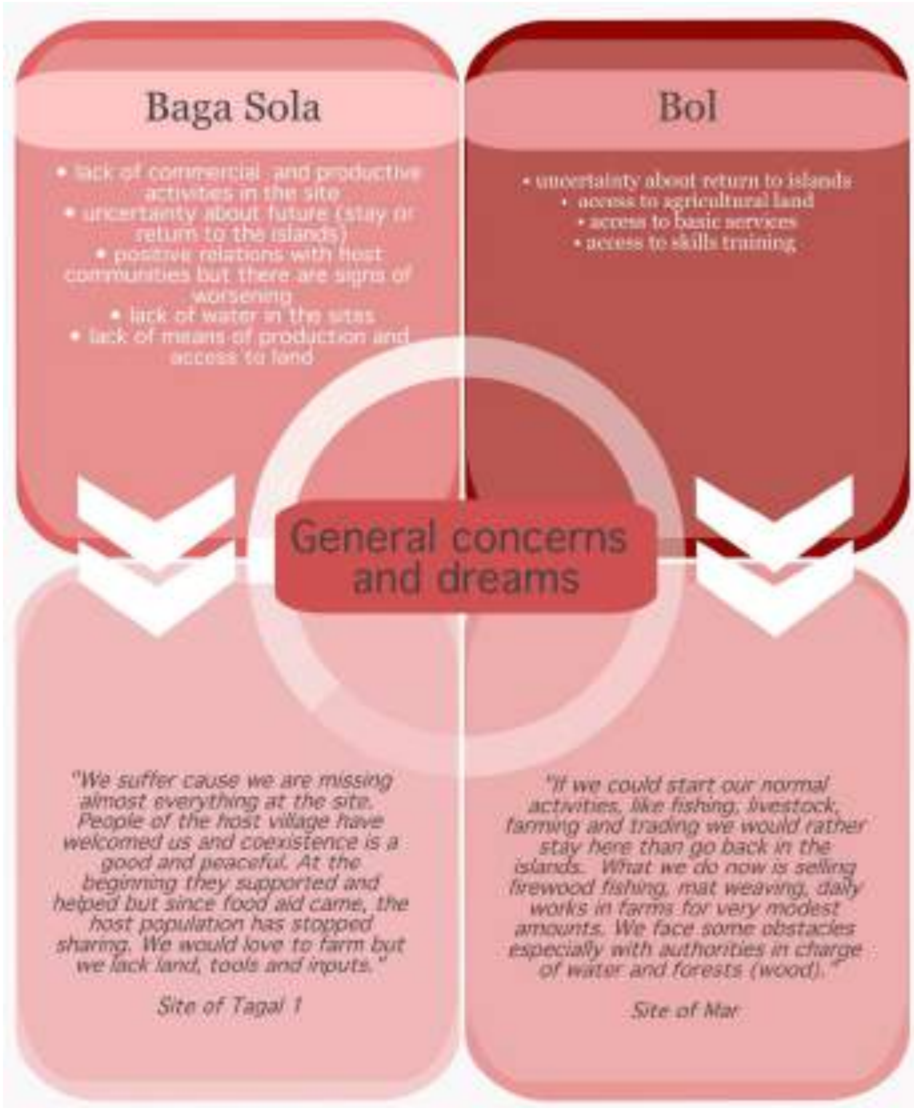
They also affirmed their readiness to further move within the same sub-prefecture or to an adjacent sub-prefecture. As a main factor in determining the choice of new places, they suggested family or ethnic ties or previous relations with the host community population, security and economic reasons.

They also attach a high degree of importance to development of good, peaceful and stable relations with host communities. Key informants like local authorities and traditional chiefs defined the host population as receptive and favourable to the presence of the displaced persons mostly because of family and community ties.

Photo 10: Focus group discussion in Yakoua displaced

However, a minority of respondents in Kousserie and Kafia displacement sites (Baga Sola) indicated that conflicts had occurred with the host communities, which had led to displaced persons leaving sites. Tensions among displaced persons, especially between the Buduma ethnic group and other ethnic groups have taken place, for Buduma are openly accused of providing the main support, including recruiting, to the armed groups.

Other key informants consented that these frictions may also be related to traditional socio-economic dynamics between the ethnic groups of islands (mostly Buduma) and those of the banks (mainly Kanembu), which are further exacerbated by the displacement of populations. They also suggested that other sources of tension came from the requests to access agricultural land by the displaced persons (polders, wadis and dunes) and perception of the host communities of being unfairly treated if compared with the displaced persons privileged access to food, humanitarian aid, knowledge, tools, inputs and financial resources.



Youth and chiefs of displacement sites stated that they concentrate their efforts on accomplishing their goals and ambitions in building peaceful cohabitation and integration with host communities, attracting more services in the displacement sites, demanding land, financial resources and tools for starting/consolidating income generating activities. Insecurity, tensions with communities, difficulty in overcoming administrative burdens and customary practices managed by traditional authorities, particularly in relation to the access to education and lands, lack of infrastructures, services and financial resources are the main factors preventing the immediate realisation of their objectives.

Local economic activities

The displaced youth indicated livestock and fishing (small scale), food production, processing and selling (vegetables and fruit, fish smoking, natural products), fuel (cutting and sale of timber), handicraft (mats and weaved straws, braiding), small trading and selling as the main available income generating activities.

In general, displaced youth, men and women can safely access economic opportunities and have not been prevented from obtaining available jobs in the region. Youth unemployment rate in the visited displacement sites is perceived as very high and the most immediate opportunities are daily salaried work in farming, building and constructions. In 2015 they experienced an acute unemployment increase during the raining seasons and the peak of the dry season.

Demand for goods and services

Health, education and training, shelter, transport and water were the services that, though partially available, remain in high demand. As for the services that they could not get so far, they concurred on electricity, motor water pumps, small production and business infrastructure like smoking fish units or market stalls.

Photo 11: Individual interview with displaced women, Kaya

They identified food items, clothing, medical treatments, farming tools and fishing equipment, agricultural inputs, and technology for equipment for cultivation and irrigation and stand-by generators as the main goods that were needed but were not affordable. The youngest among the interviewed insisted on electricity, ICT, internet connection, availability of one computer in each displacement site, and mobile devices like tablets and smart phones.

Photo 12: Focus group discussion with displaced persons, Kaya

Enabling environment

The interviewed youth considered the environment if not fully enabling, then at least not hostile to the development of their business opportunities. So far it has been possible to do small trading, work as daily labourers and to circulate in the area do business without any particular obstacles, with the exception of the small vendor women (Buduma) who have been evicted from the Baga Sola market after the Boko Haram attacks of October 2015. As business development strategies they indicated the provision of skills, tools and technology, access to financial resources, transport (animal traction as well), access to cultivable land close to the displacement site, organisation of groups of producers and traders/ vendors (cooperative societies), savings and credit.

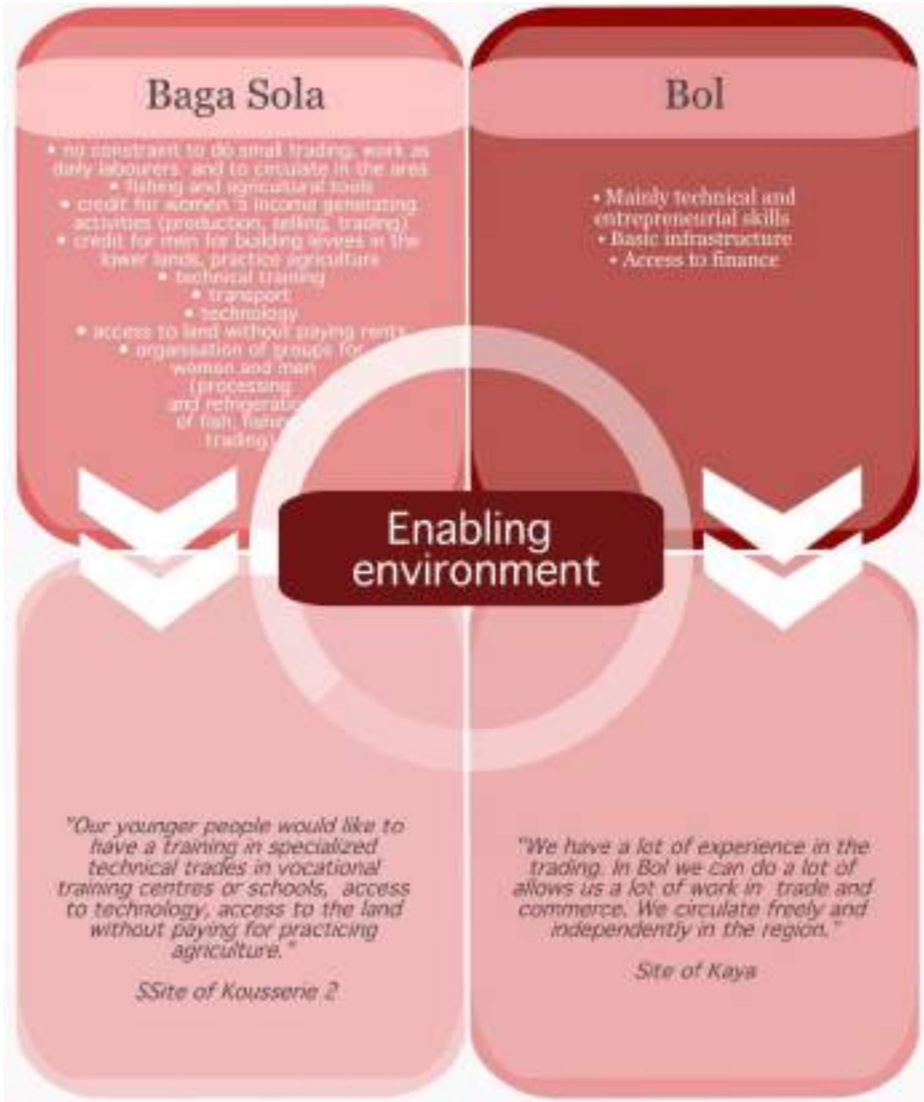
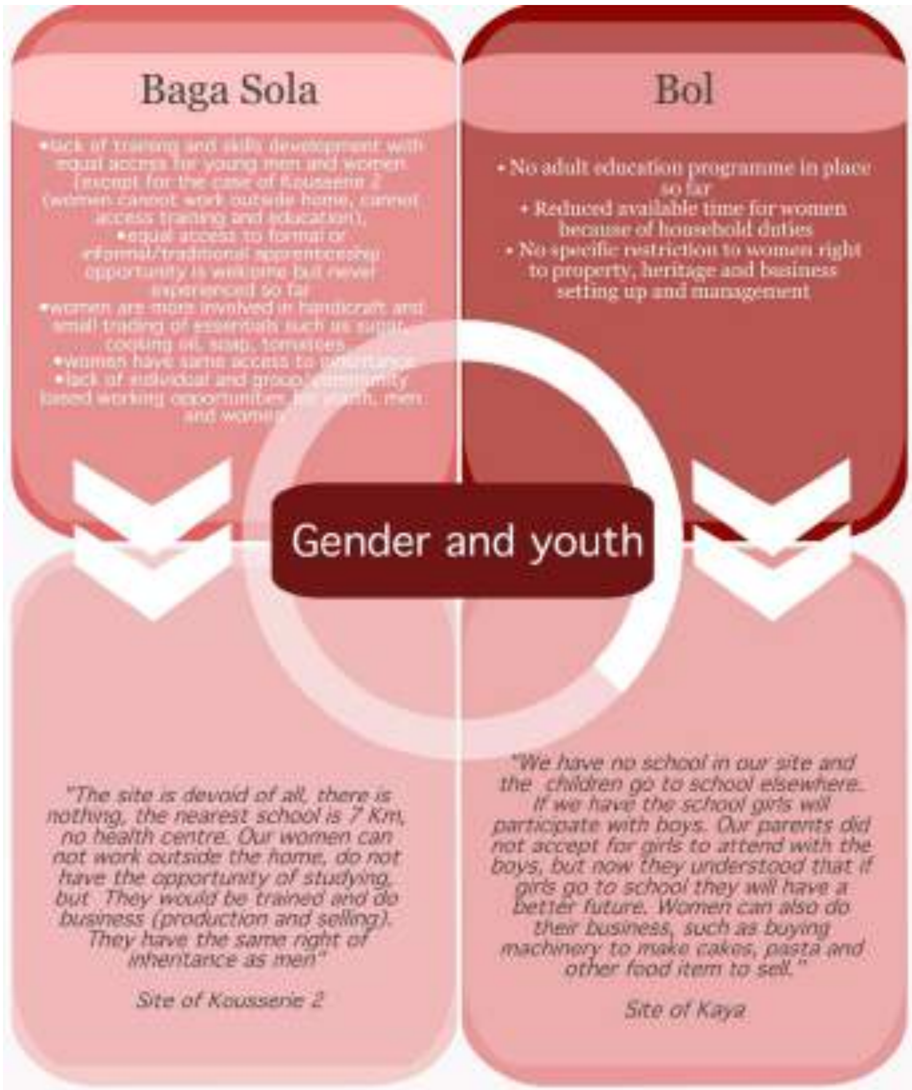


Photo 13: Individual interviews with displaced women, Kaya

All the interviewed youth in both localities underlined the scarcity of formal education for youth and non-formal and informal training for adult because of the non-existence of infrastructures and the scarcity of programmes and opportunities offered by local public authorities, private skills suppliers and national/international development partners.

Gender and youth

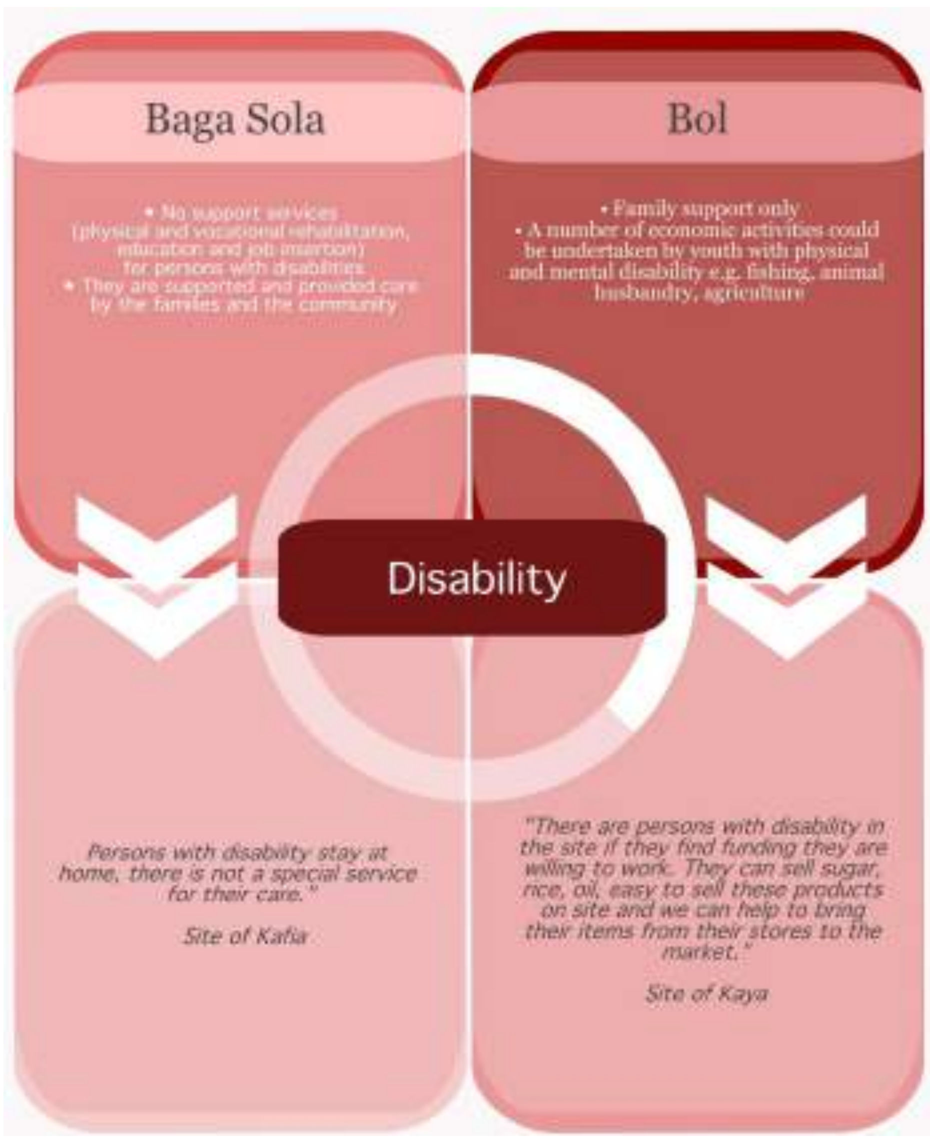
Young men and women are eager to attend skills development programmes including apprenticeship (if available) without any restriction of access. Anecdotal evidence was collected in the case of the students, boys and girls from the secondary school, working as interns at the Baga Sola bakery laboratory for the summer period. As a unique exception, the eldest members of the groups interviewed at the displacement site of Kousserie 2 said that women are not allowed to work outside home as well as access training and education.



With relation to income generating activities all concurred on the lack of individual and group/community based working opportunities for youth, men and women. On an individual basis women said they were predominantly involved in handicraft, small trading of essentials purchased on credit from wholesale traders and food items production and selling, catering and selling of cooked products. Both women and men have access to salaried jobs in agriculture, and partially in livestock, whilst building and construction is a sector where exclusively men work. Women enjoy equal opportunities in relation to running businesses, from trading to production, and freedom of economic movement although they indicated the reduced availability for women who are also in charge of households' duties. Overall, women are mostly retailers rather than wholesalers and are less likely to have employees than men. Some interviewed woman suggested that access to credit proved more difficult for businesswomen and they express the need for support in establishing credit and savings schemes at displacement site level (cooperatives or saving groups) and accessing microcredit. No difference was earmarked in relation to rights of inheritance and property.

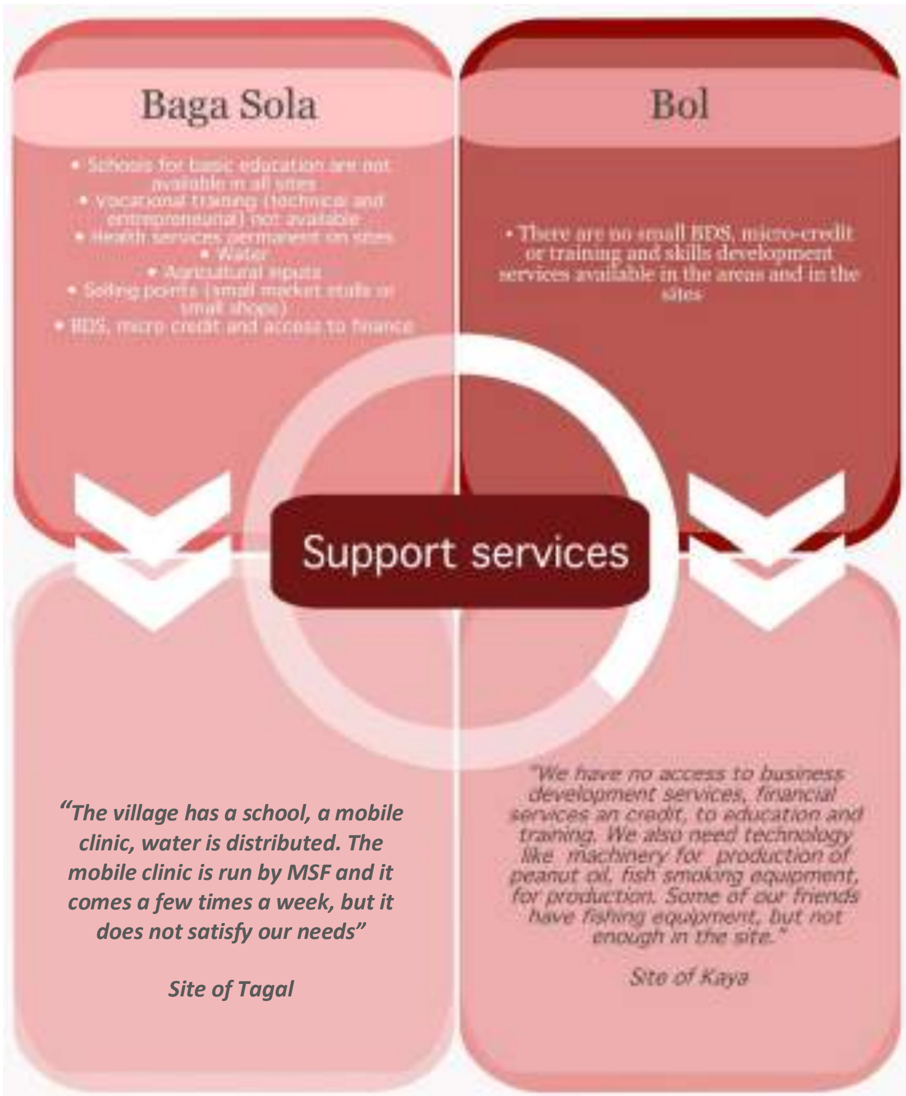
Disability

In spite of the evident difficulties, they unanimously considered their communities very inclusive with respect of persons with disabilities for which no specific service is available in the displacement sites. Families and the community at large are taking care of disabled members and, wherever possible, they are offered job opportunities suitable to their functional capacity.



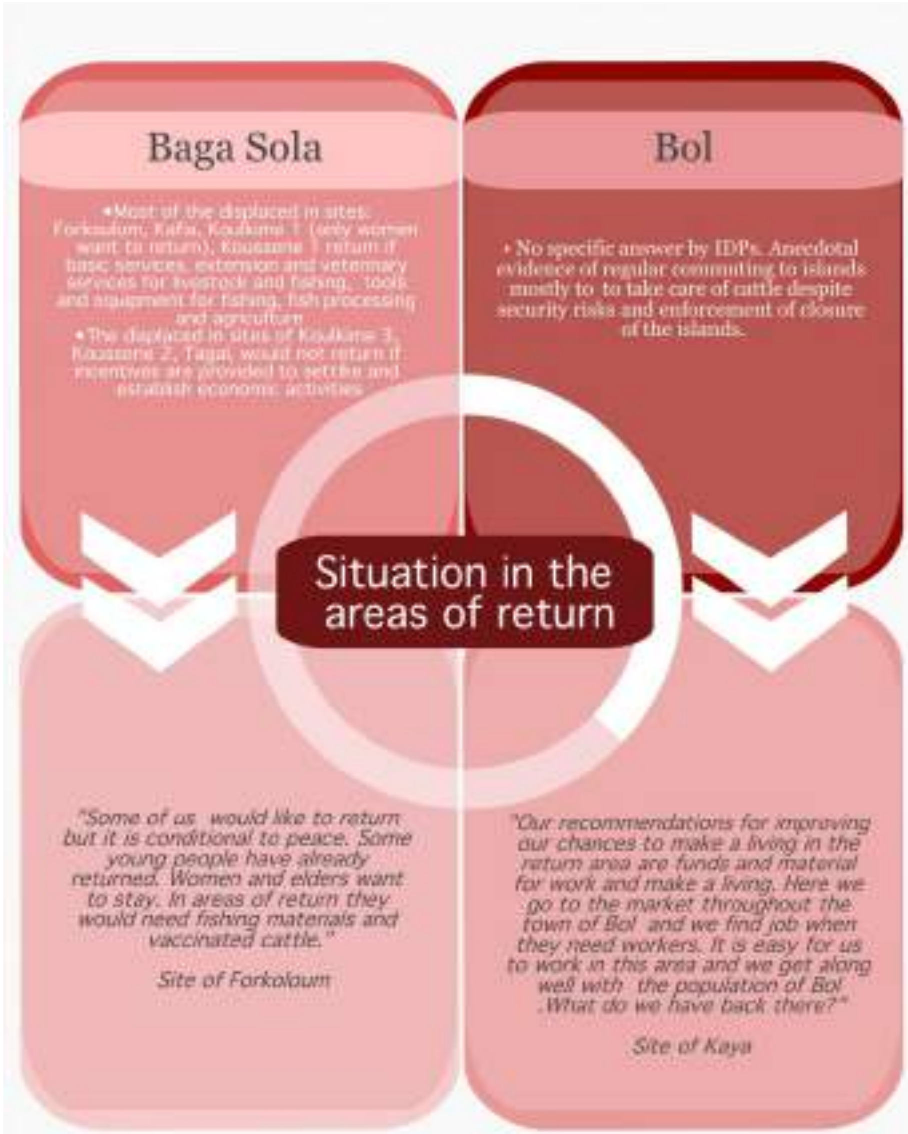
Support services

When specifically asked about availability and adequacy of support services, they all underlined scarcity, absence, intermittent delivery, particularly in relation to utilities, health and basic education. They also insisted on the need for business development services, micro-credit, technical training and entrepreneurial skills development, maintenance services related to sectors like mechanics or electricity and, in general, technology related to agriculture and processing.



Situation in areas of return

The return to their villages of origin, though set by the majority of youth as a medium term objective, is not an immediate priority due to persistent insecurity. Another condition for return is the availability of basic utilities, extension and veterinary services for livestock and fishing, tools and equipment for fishing, fish processing and agriculture.

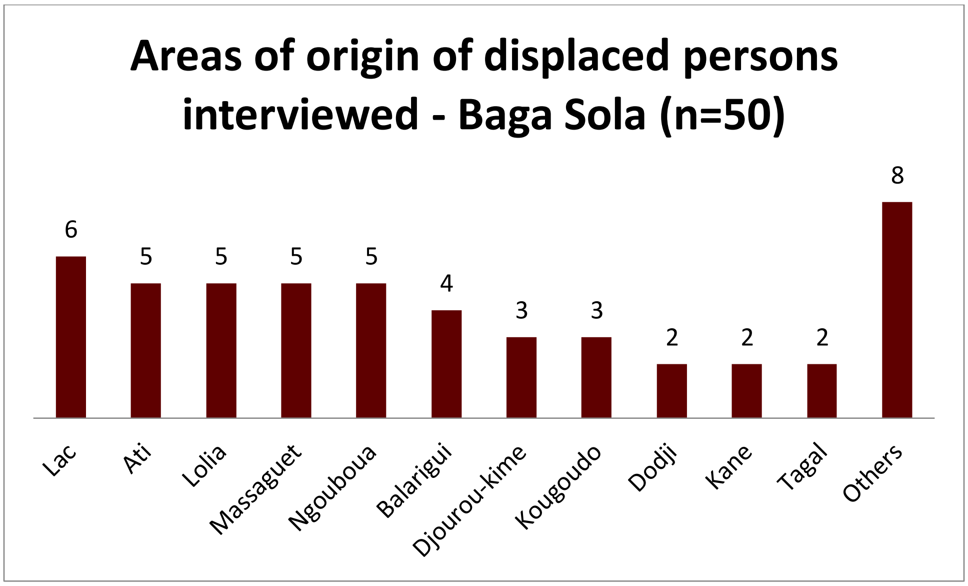


Conversely, displaced persons coming from territories other than the lake islands have indicated the desire not to return and, therefore, invest in the place of settlement if agricultural and economic activities are provided or available. Anecdotal evidence of young men commuting to islands to take care of cattle despite security risks and enforcement of closure of the islands was confirmed in the course of the interviews. The interviewed youth in the Baga Sola area (displacement sites of Fourkoulom, Kafia, Koulkime 1, Koulkime 3, Kousserie 1 and, almost half of youth in Kousserie 2), expressed their wish to return if conditions permit. On the other hand, the majority of interviewed youth in the displacement sites of Dar es Salam, Dar Nahim 1 and 3 and Tagal (in Baga Sola area) expressed the wish to stay and develop the displacement sites they are in, also for the future. In the Bol area, only the interviewed in Kaya displacement site expressed the wish to return should security be re-established along with basic development conditions. In all other displacement sites, they expressed that they wish to stay.

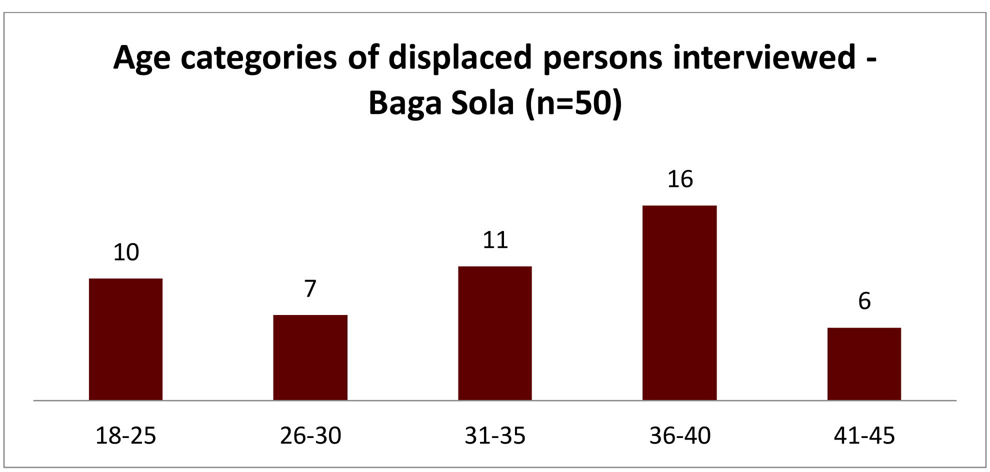
The displaced youth provided more precise information about their origin, age, income, and previous and current occupation, when they were interviewed as consumers and customers in the local markets. First, the data for the displaced youth around Baga Sola is presented, followed by the data for the displaced youth around Bol.

In Baga Sola displacement sites

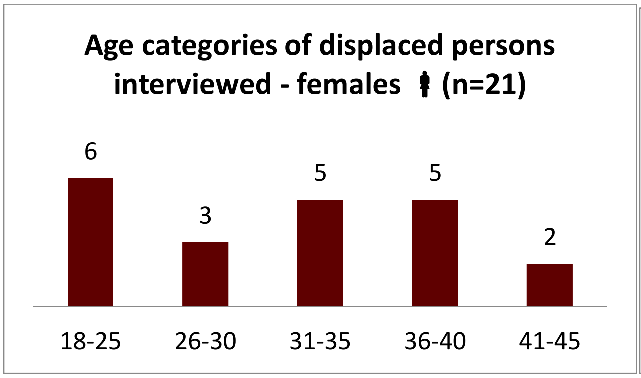
The most common area of origin is the Lake Chad region (not specified which part), followed by Ati, Lolia, Massaguet and N'Gouboua.

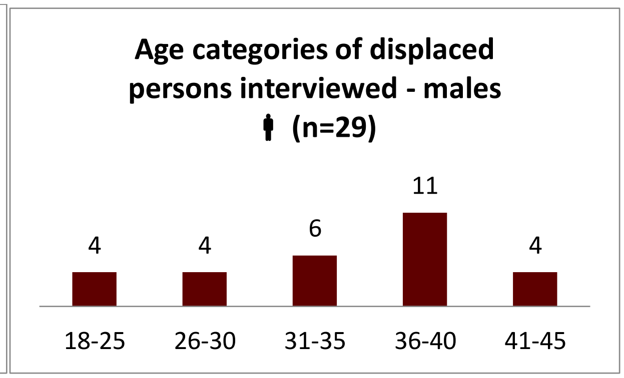


As for the age categories, the following graph shows the distribution between different age groups of the respondents. The majority of respondents were between 31 and 45 years of age, younger people were relatively underrepresented. The average number of dependents of the displaced persons interviewed was 10.2 persons (ranging from 3 to 22, excluding one outlier value of 53).

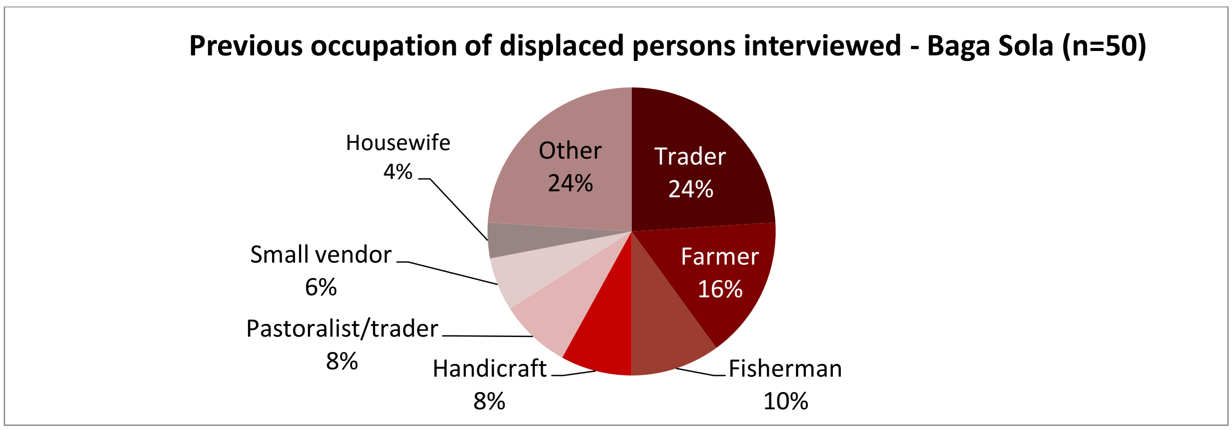


When disaggregated by gender, data shows that within the broad category of displaced youth (18 to 45 years old), the communities opted for the presence of women younger than men to attend the profiling.

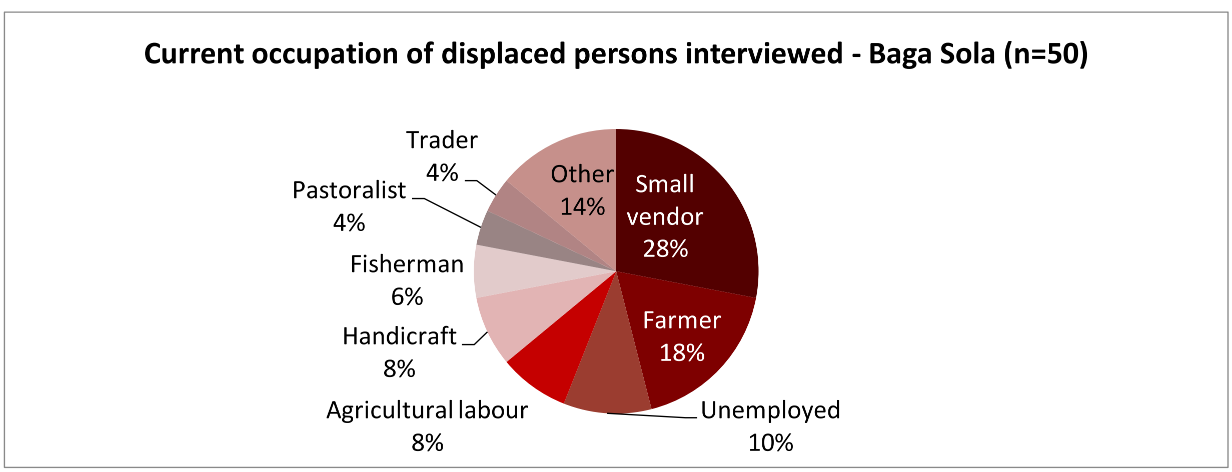




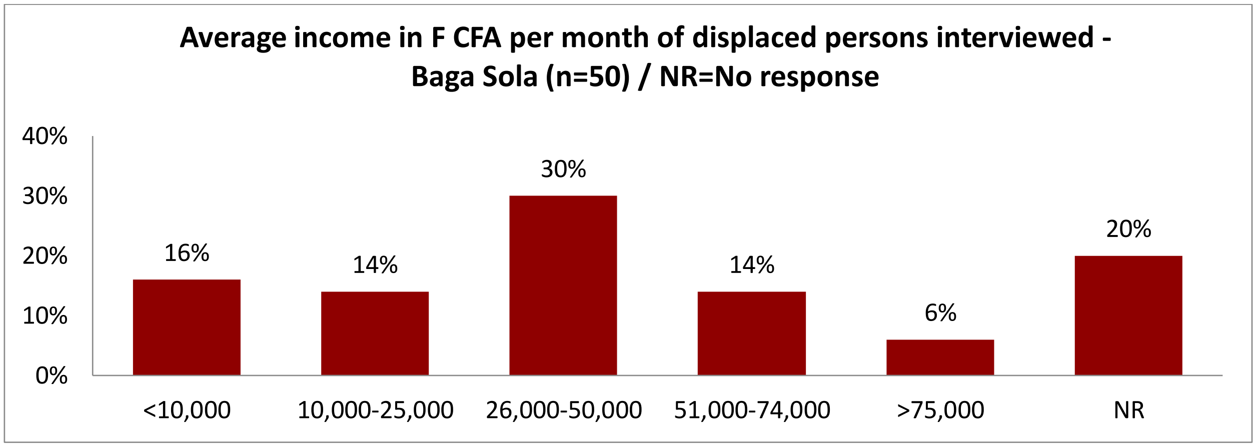
When asked about their previous and current occupation, displaced persons answered that before arriving at the displacement site, their main occupations were traders, farmers or fishermen.



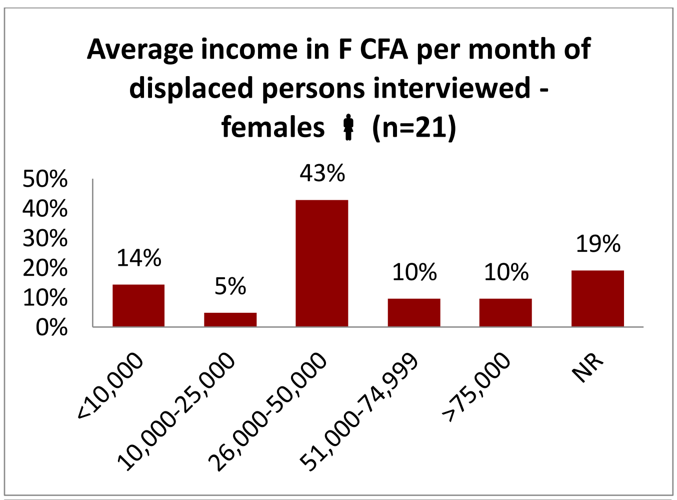
At present, their main occupations are small vendors, farmers or daily agricultural labourers. However, a large number of people answered that they are currently unemployed (10%).

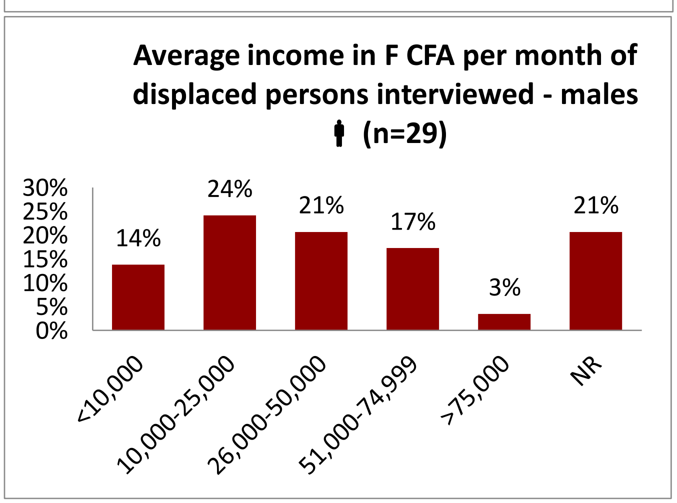


The average income of displaced persons varies significantly, but the majority earn less than 50,000 F CFA per month, or less than €76 per month.



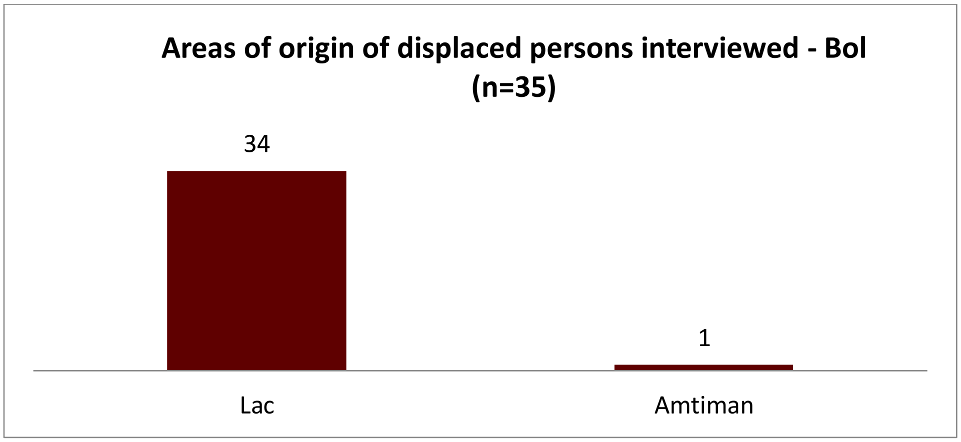
Data on average income disaggregated by gender shows that men reach a higher level of income than women and this is related to the different type, sector and added value of the economic activities.



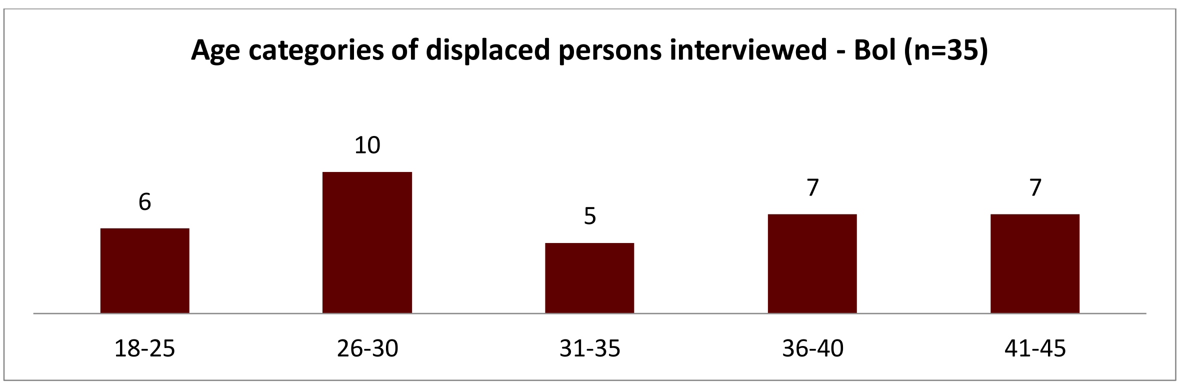


Bol displacement sites

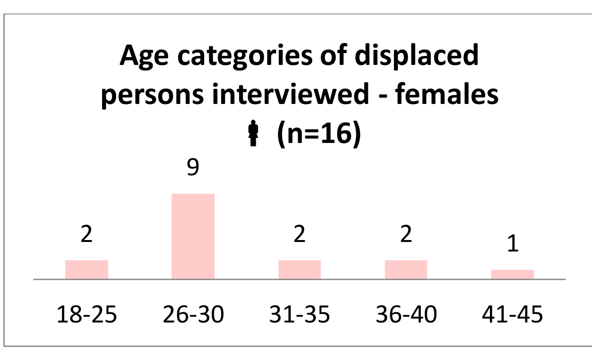
The areas of origin of the displaced persons are provided below. The area of origin is Lake Chad for all respondents except for one, who originates from Am-Timan (South-East of Chad).

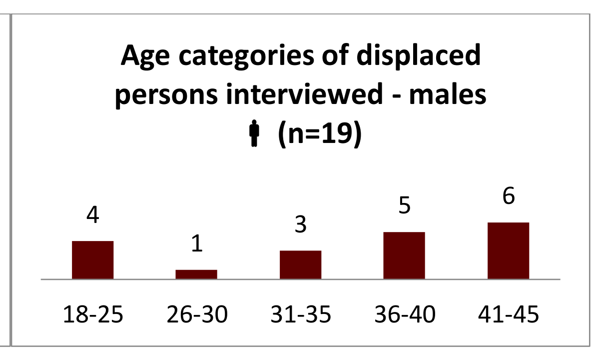


The distribution between different age groups shows that the age groups are evenly spread, with a relatively high number of respondents between 26 and 30 years of age. The average number of dependents of displaced persons is 10.3 (ranging from 4 to 20, excluding one non-married person).

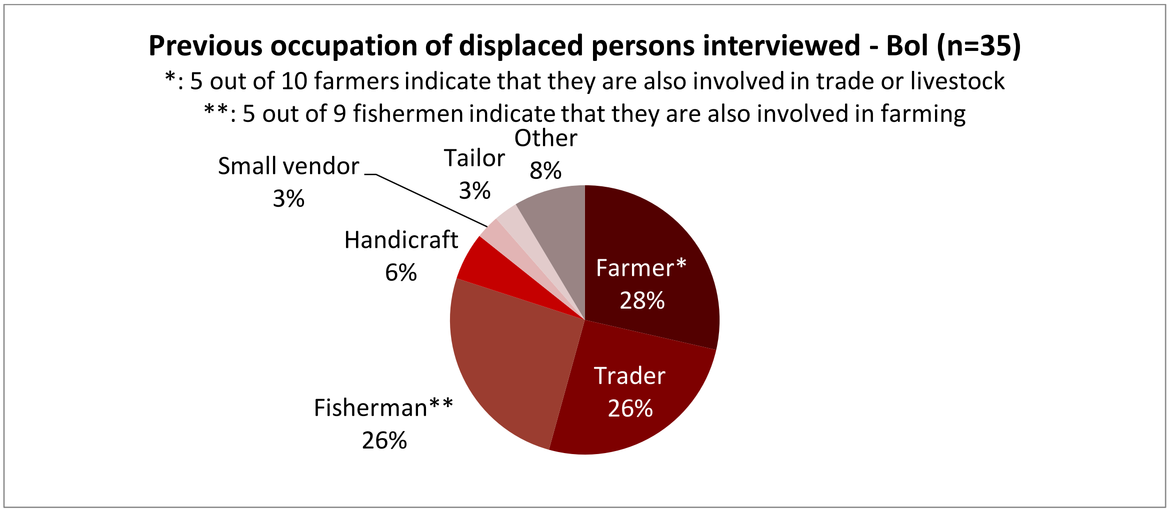


Also in the case of Bol, data disaggregated by gender shows that within the broad category of displaced youth (18 to 45 years old), the communities opted for the presence of women younger than men for attending the FGDs on profiling and the consumer interviews.

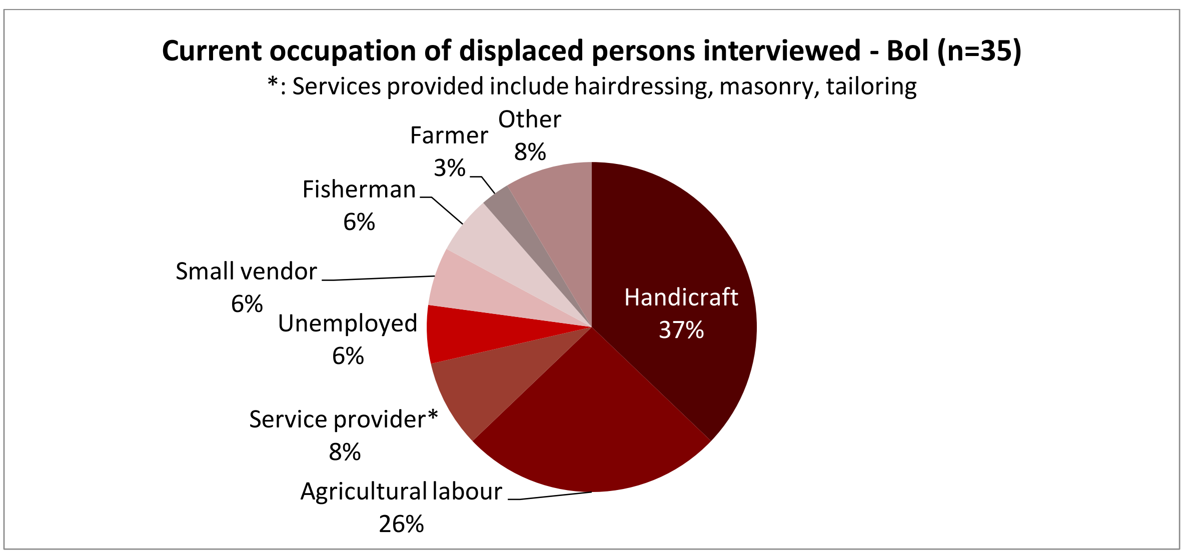




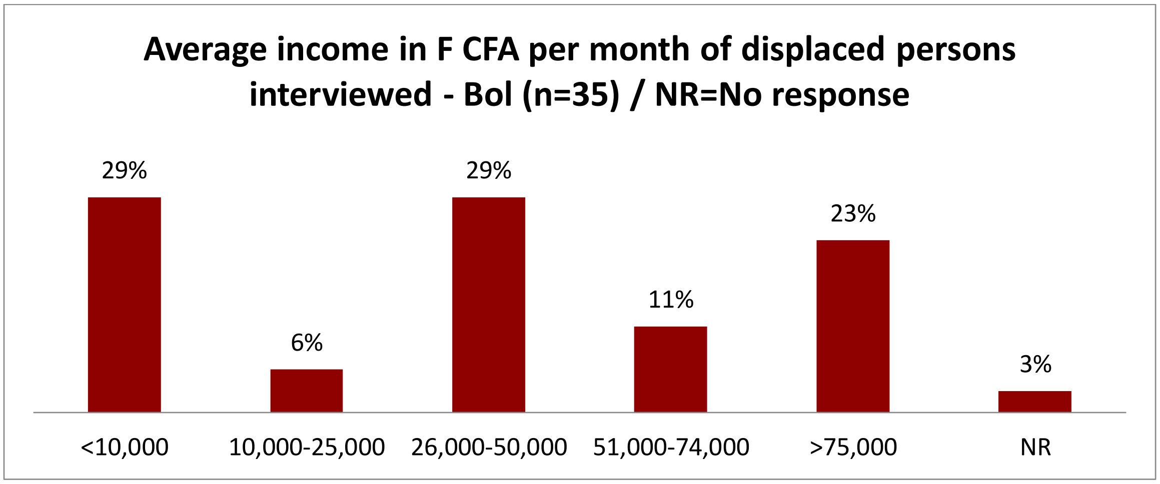
When asked about their previous and current occupation, displaced persons answered that before arriving at the displacement site, their main occupations were as farmers, traders or fishermen. Many respondents indicated they are doing multiple jobs, e.g. farmers are also involved in trade or livestock.



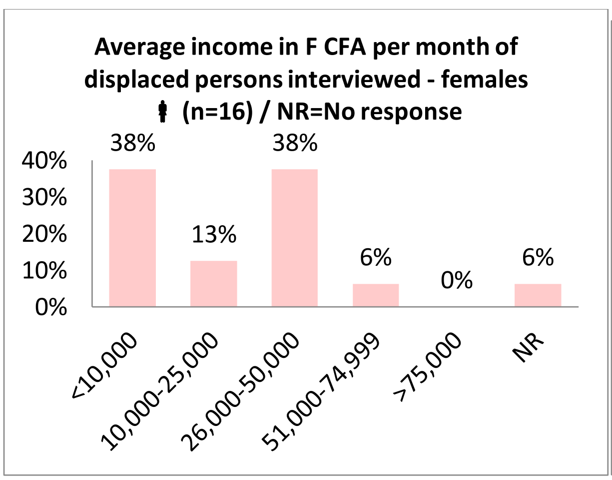
At present, their main occupations are handicraft producers (mainly mats), daily agricultural labourers or service providers (including hairdressing, masonry, tailoring). Some people answered that they are currently unemployed (6%).

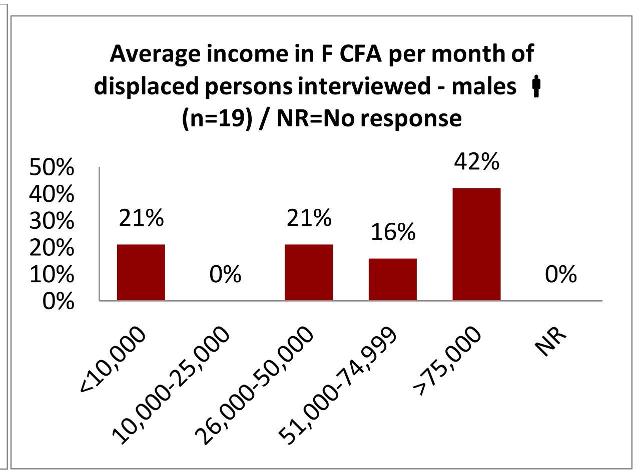


The average income of displaced persons varies significantly, with a significant number of people earning less than 10,000 F CFA (or less than €15), and another group of respondents earning above 75,000 F CFA per month, or more than €114 per month.



Also in the case of Bol, data on average income of displaced persons interviewed in the displacement sites disaggregated by gender shows that men reach a higher level of income than women and this is related to the different type (and added value) of the economic activities predominantly undertaken by men and women.





4. FINDINGS ON LOCAL MARKET DYNAMICS IN BAGA SOLA AND BOL

This chapter presents the main findings on local market dynamics for Baga Sola and Bol. It includes an overview of the most important commodities and value chains, as well as the findings from the quantitative survey. The chapter concludes with a number of gender-disaggregated data.

4.1 OVERVIEW OF THE KEY ECONOMIC SECTORS & COMMODITIES/VALUE CHAINS

Photo 14: Irrigated polder near Bol town, Lake Chad region

Based on interviews with the key informants, it was confirmed that up until the current crisis, Bol was the most important agricultural market in the region of Lac in Chad. The Lake Chad region has vast fishing and agriculture areas with abundant availability of freshwater from the lake for irrigation. This allows for production of agricultural crops, both subsistence and cash crops. Also, the potential for livestock and fisheries is huge. According to SODELAC, there are around 200,000 registered farmers on the mainland in the Lake Chad region.[41] Between 120 000-140 000 hectares of polders and wadis are available. No estimates are available for the number of fishermen in the Bol region.

Based on literature review and the field survey, the main economic sectors and commodities in Bol and Baga Sola are:

Agriculture[42]

- Maize, wheat, sorghum, rice;
- Legumes (beans, fenugreek, black cumin, groundnuts, peas);
- Tubers (cassava, sweet potato, potato);
- Vegetable crops (tomato, onion, pepper, okra, cucumber, etc.).

Livestock

- Cattle;
- Sheep;
- Goats;
- Camel.

Fishery

- Smoked fish;
- Dried fish;
- Fresh fish.

[41] Interview Mr. Farhadj, SODELAC, Bol, July 2016

[42] SODELAC, March 2016, Deplacees Et Retournees Victimes De Boko Haram Par La Valorisation De Nouvelles Terres Agricoles Dans La Region Du Lac

Small trade

- Food, Cooking oil, Flour;
- Clothing;
- Communication (including mobile telephones).

In terms of trade opportunities, the proximity to Nigeria as the main consumer market of Africa is also an important asset. Because of its strategic location on the border of Nigeria, Niger and Cameroon and well-established waterways to these countries over the lake, Bol used to be a hub for trans-border trade between Chad and these three countries.

As a result of the Boko Haram crisis, the economic situation has severely deteriorated and agricultural production has almost come to a standstill. This is due to the fact that the displaced persons, who used to be herders, fishermen or farmers, or a combination of these three, have abandoned their agricultural land and are now dependent on food aid. They often work as daily labourers for other farmers from the neighbouring host communities. In addition, the trade routes from Bol to Nigeria, Niger and Cameroon over the Lake Chad have been cut off, which has led to a huge rise in transport costs and time needed.

This has basically led to a situation whereby most agricultural products are now imported from Nigeria or Cameroon at much higher prices than before the crisis. It has also led to livestock herders becoming farmer-herders and farmer-fishermen, while farmers have diversified their diets and, in turn, expanded their activities to become traders. An estimated 20,000 farmers still remain on the islands, despite the security situation, because they are dependent on the income generated through fisheries and livestock.

The key informants in Baga Sola and Bol confirmed the impact of the necessary government's security measures. In particular, the border closures have heavily impacted trade flows, as pastoralists are not able to sell cattle to incoming traders, resulting in a decrease of livestock prices, an atypical rise in grain prices, deteriorating terms of trade of livestock for grain, a decrease of the agro-pastoralists households' purchasing power and their livelihood, and consequently, a decline in agro-pastoral production.

They also indicated that because of poor off-season harvests, a growing number of households have resorted as alternative source of income to occasional labour, selling of breeding cattle, production tools and small agricultural plots as a last resort.

SODELAC reports about increased support to agricultural production (distribution of agricultural inputs) and livestock (cattle feed, vaccinations, destocking etc.) and indicates that prices of main cereals have remained stable (except local rice) despite an increased demand from displaced persons. SODELAC has increased the provision of services related to access to the PNSA (national food security programme) small credit scheme, tractors, motorised and hand water pumps.

Both in Baga Sola and Bol the interviewed traders reported being unable to double their sales to meet an important increase in demand. Most traders did not change their sources of supply since the start of their trading activities, suggesting that they managed to keep the same supply source in spite of the security crisis.

At the same time, they indicated that insecurity is their major constraint, followed by the lack of own capital. Female traders declared that lack of capital and credit was their main constraint. They indicated that in general, women face financial access barriers that prevent them from participating in the agricultural trade.

Both in Baga Sola and Bol big traders are also transporters and have resorted to unusual strategies to cope with rising prices of supply and closure of borders like the use of different trading routes, e.g. moving the livestock around the lake to reach Nigeria via Niger. At transport level, insecurity, harassment and poor road infrastructure are the main constraints reported on by big traders that take care of the transport of own goods and also provide the service of transporters.

Photo 15: Transport of goods from Nigeria in Bol, Lake Chad region

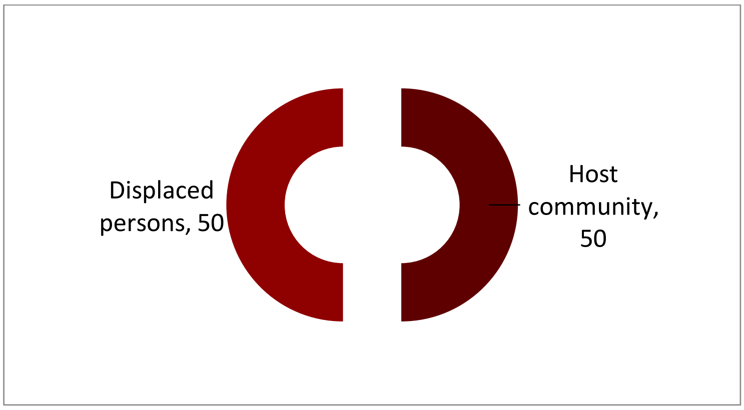
The big traders positively assessed the rise of creation of circumstantial markets by displaced persons and refugees, mostly women that purchase from them goods on credit for selling in embryonic markets or in the small weekly markets in the host villages. Conversely, small retailers and vendors in the markets have generally indicated that they had fewer customers in 2016 compared to 2015.

Some displaced pastoralist youth indicated that it is very challenging to deal with erratic trade conditions over longer periods. More specifically, the market is characterised by a constant variation in cattle value that they experience when they sell goats to buy millet.

The displaced persons interviewed in the site of Tagal confirmed their aspiration to form groups of fishing groups.

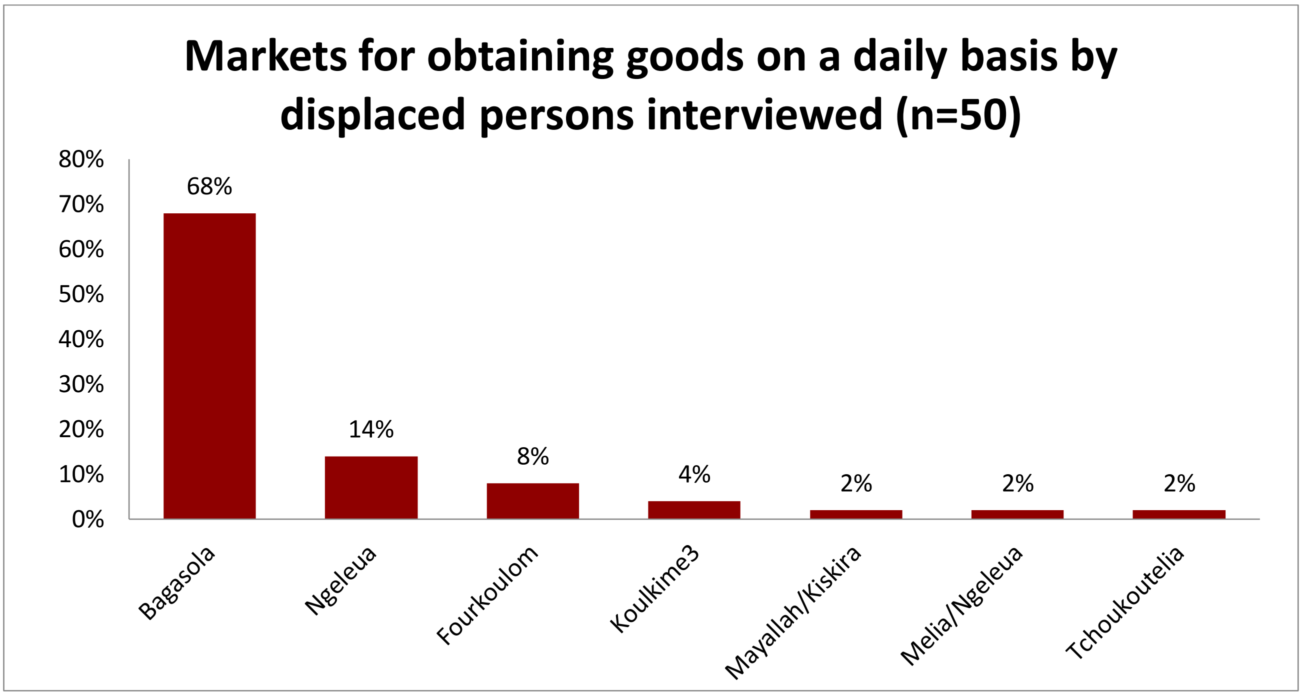
4.2 FINDINGS FROM THE CONSUMER SURVEY: BAGA SOLA

In the region of Baga Sola, 100 people were interviewed, 50 displaced persons and 50 people from the host communities.



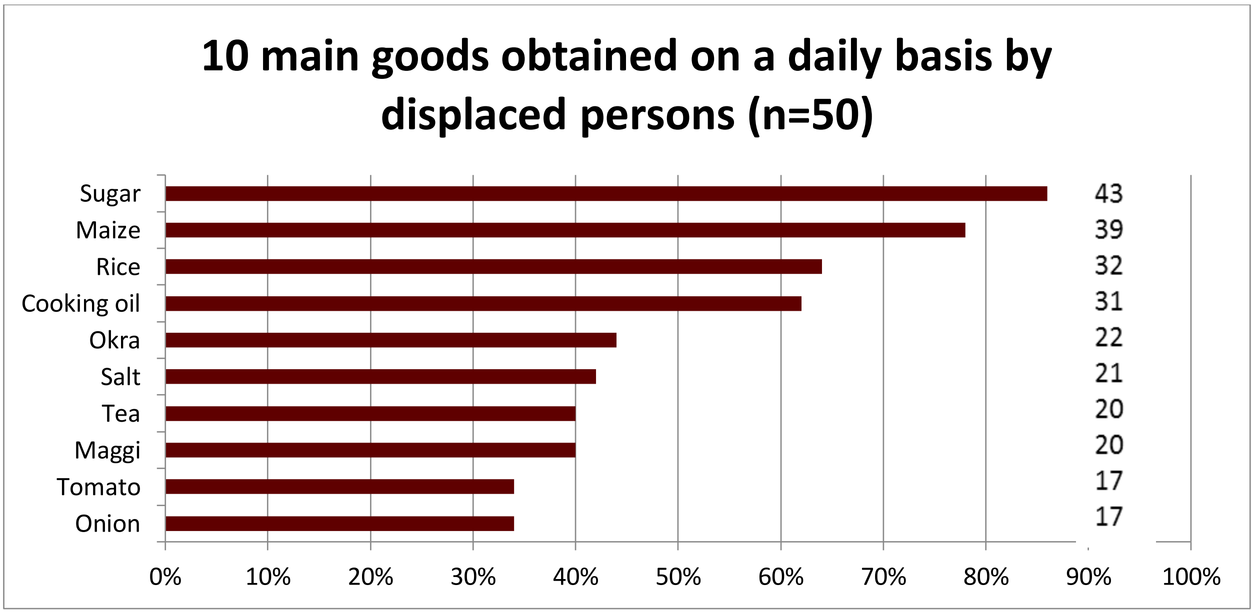
The displaced persons were selected among the groups of 10 from each displacement site that underwent the profiling (see chapter 3).

The major markets for obtaining goods on a daily basis are Baga Sola (68%), Ngeleua (14%) and Fourkoulom (8%).



The 10 main goods obtained on a daily basis are listed below. Respondents were asked to mention the 10 main goods that they are buying in the market.[43]

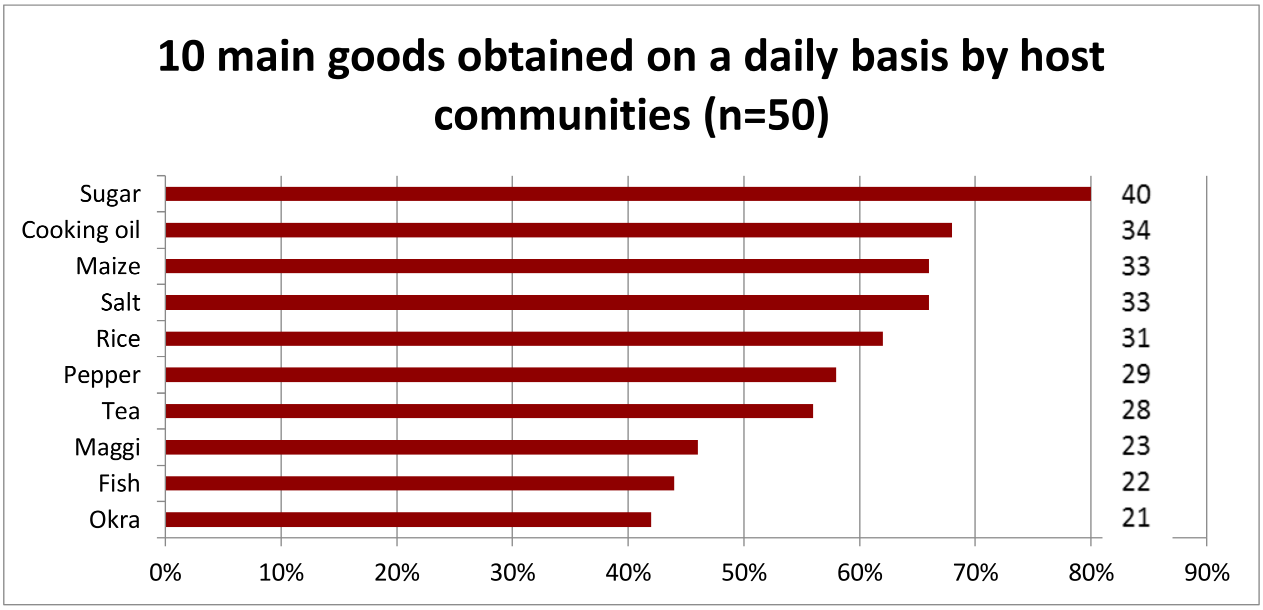
After analysing and aggregating the data, it appears that sugar, maize, rice, cooking oil, and okra are the five most consumed products of displaced persons. It is striking that the most of the top 10 products are currently imported, even though – with the exception of tea and Maggi - they could all be produced locally.



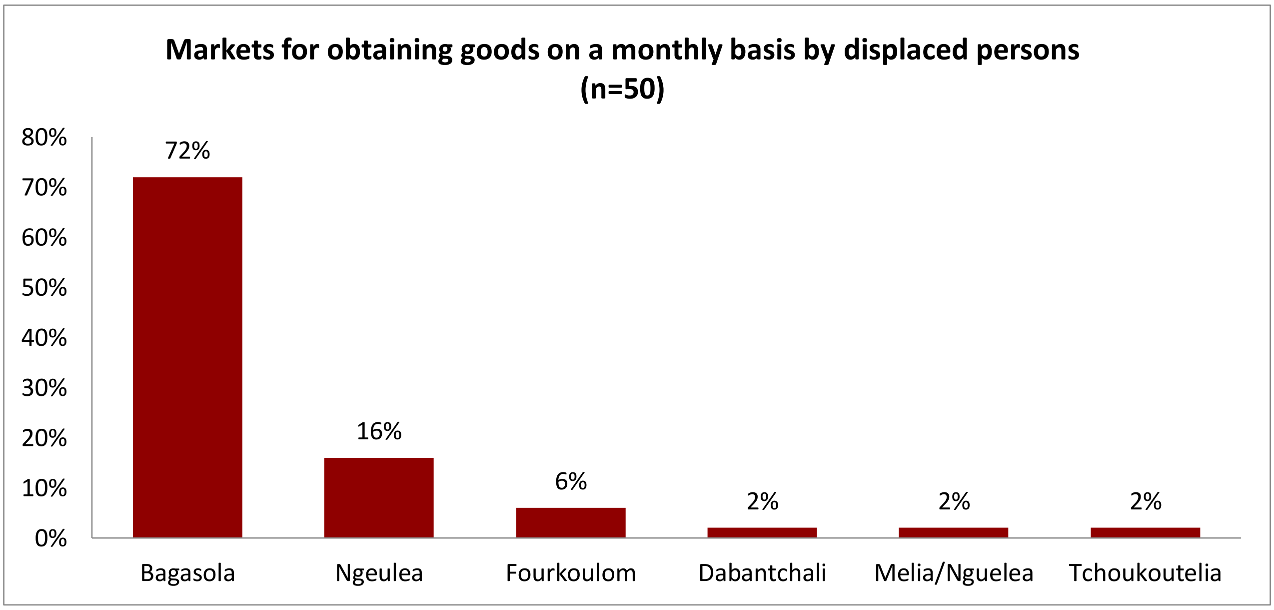
For host communities, the following 10 goods are most commonly bought in the market. Most striking difference is the importance of fish, which is mentioned by 44% of host communities compared to 20% of displaced persons. This is also the case for meat, which is mentioned by 32% of host communities, compared to 12% of displaced persons. It can be concluded that fish and meat play a more important role in the diet of

[43] In the figure below, the percentage indicates how many respondents provided this response out of the total sample; the number indicates the absolute amount of respondents that provided this response.

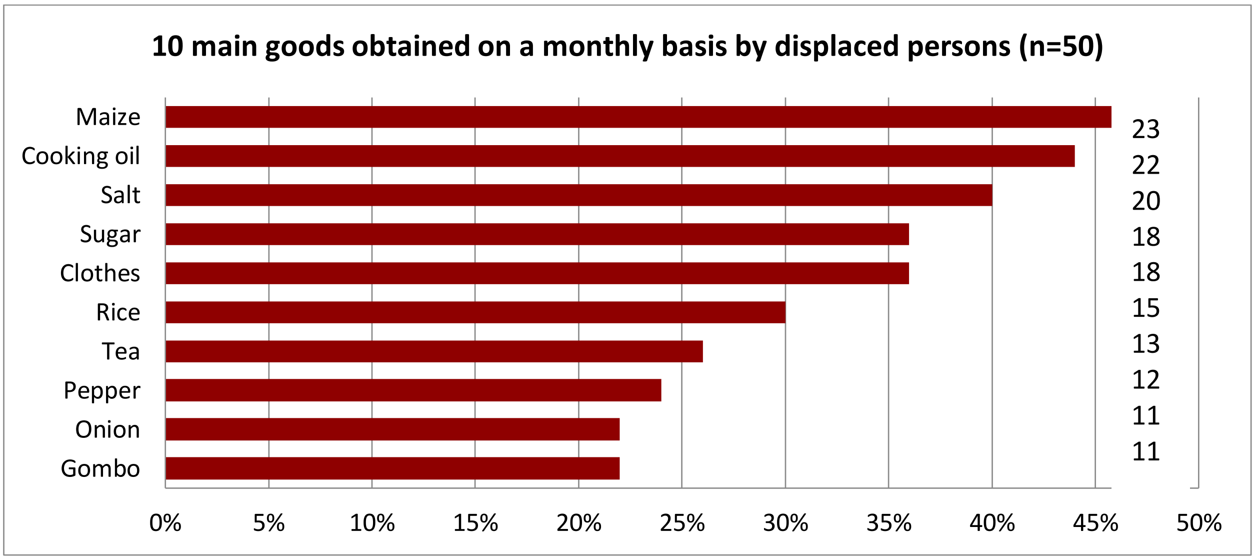
host communities compared to the diet of displaced persons. This can probably be explained by the fact that displaced persons have lower income and are, therefore, more limited in their diet.

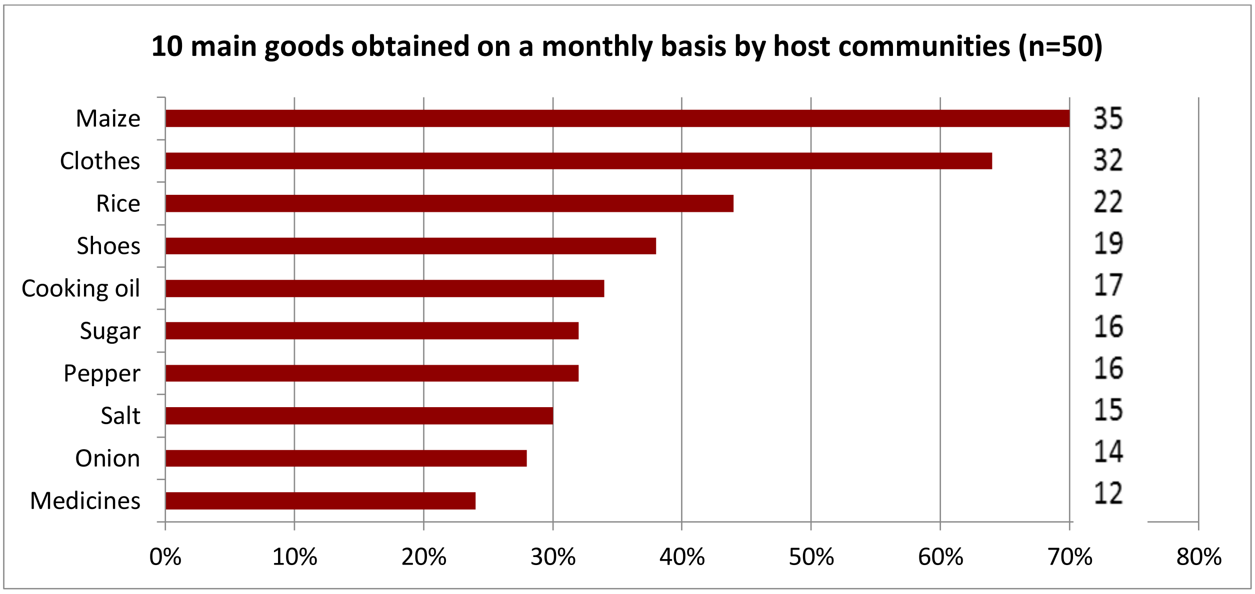


The following figure indicates the markets used to obtain goods on a monthly basis by displaced persons. The same three markets constitute the top 3 markets.

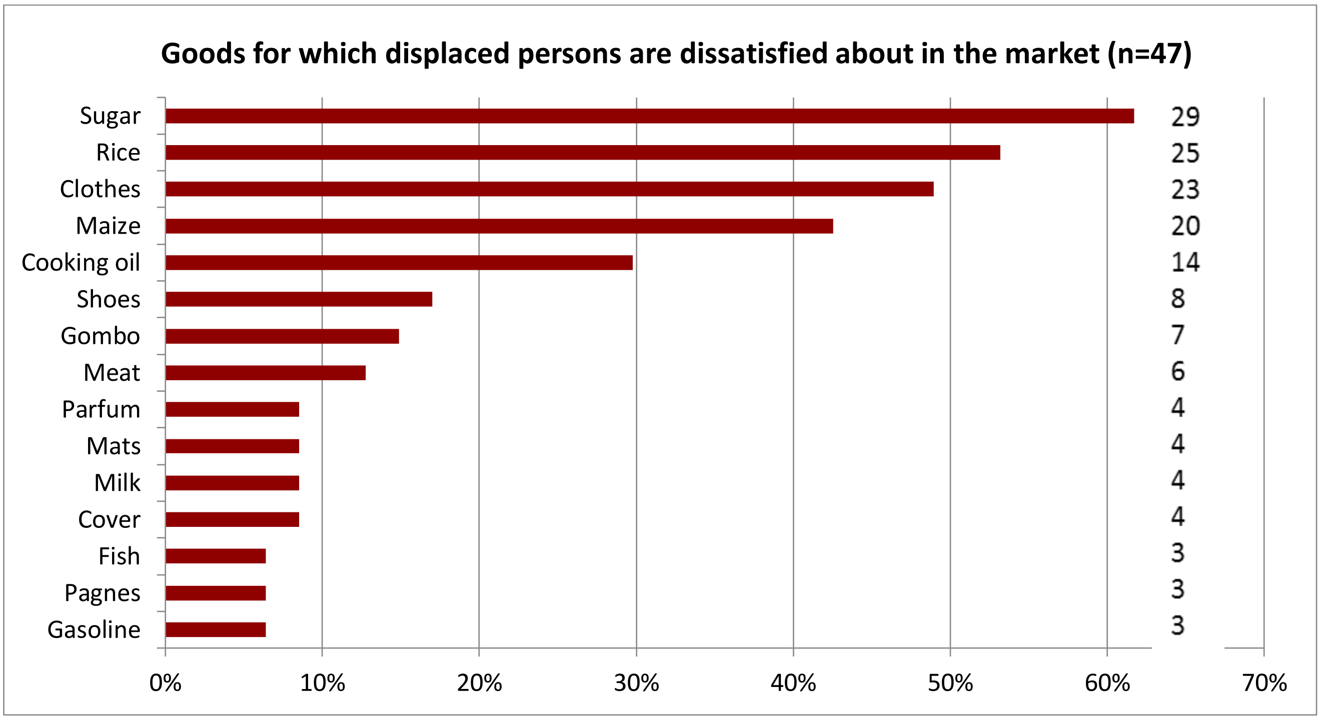


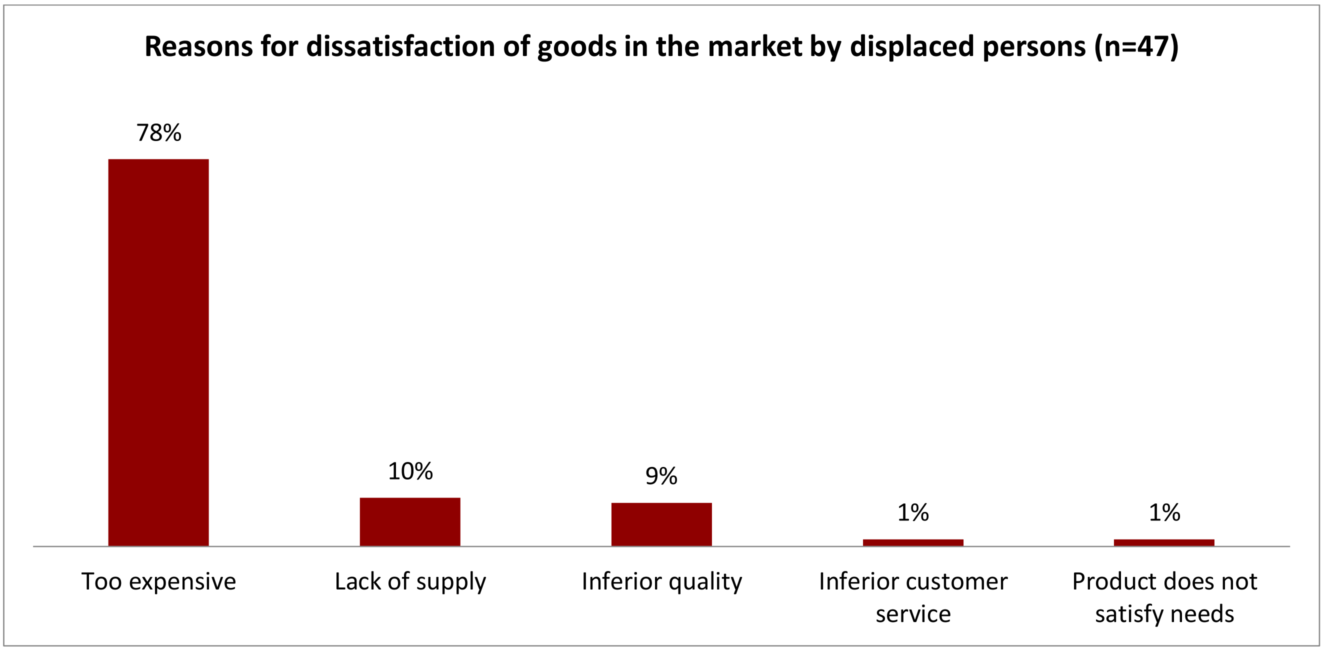
From the figure below, it appears that the five most important goods for displaced persons obtained on a monthly basis are maize, cooking oil, salt, sugar and clothes. The most consumed goods by host communities are maize, clothes, rice, shoes and cooking oil.



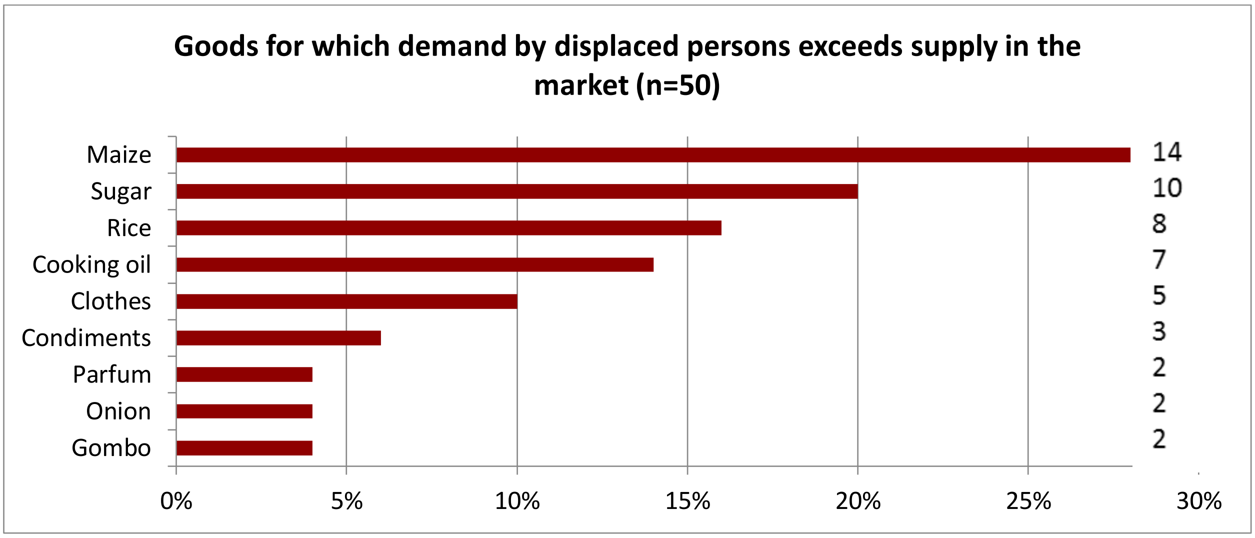


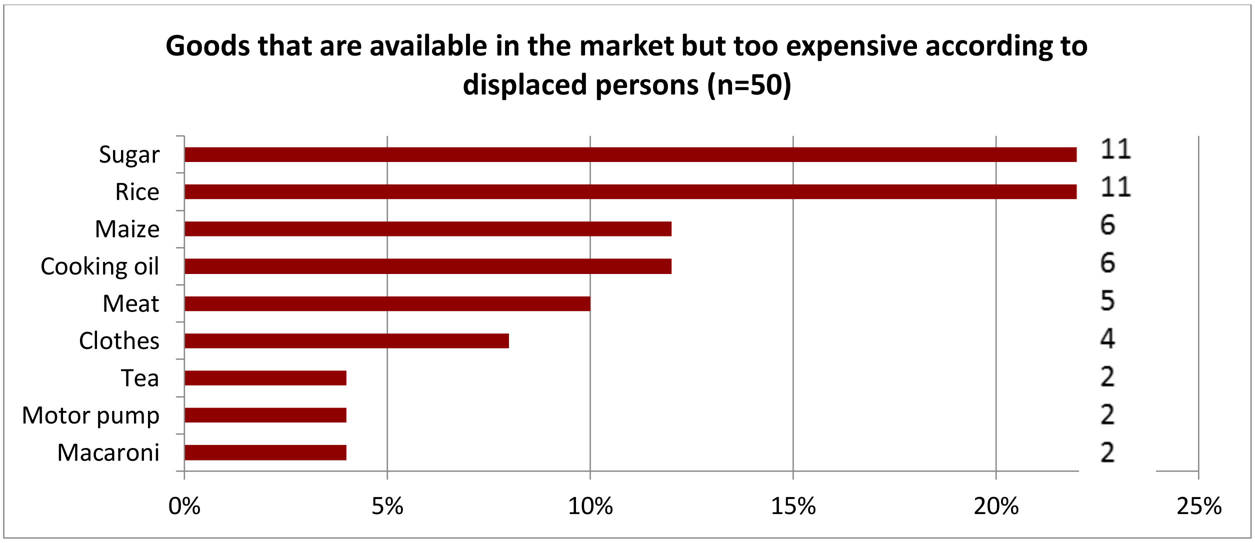
When asked about five goods they are less satisfied with, displaced persons responded in majority that they are unsatisfied with sugar, rice, clothes, maize and cooking oil, which are partly also the main goods consumed. The main reason for the dissatisfaction is the fact that these goods are too expensive. Some respondents stated that there is a lack of supply or that the quality of inferior.





Next, the respondents were asked which goods they would like to buy more of if they would be available, indicating the goods for which demand exceeds supply in the market. The main goods mentioned were maize, sugar, rice, cooking oil and clothes. In the following table it is shown which goods displaced persons find too expensive in the market. It applies to the same goods, as well as meat. It can be concluded that the value chains of maize, sugarcane, rice, cooking oil (for instance from groundnuts) and meat have high potential in the Baga Sola region.





The respondents were also asked to provide general comments on the functioning of the market. Some of the most common remarks made by displaced persons:

- Previously imported goods came from Nigeria were cheaper and everyone had access;
- Traders tend to buy their products at low prices but sell them very expensively;
- The market is functioning well; all goods are there;
- The Baga Sola market offers items at more affordable prices that other markets;
- Very high prices and not satisfied that the state controls the functioning of the market;
- Soaring prices;
- There are good items in the markets but no money to buy them;
- In Baga Sola market, there are many articles but expensive, while in Ngeulea market goods are cheaper.

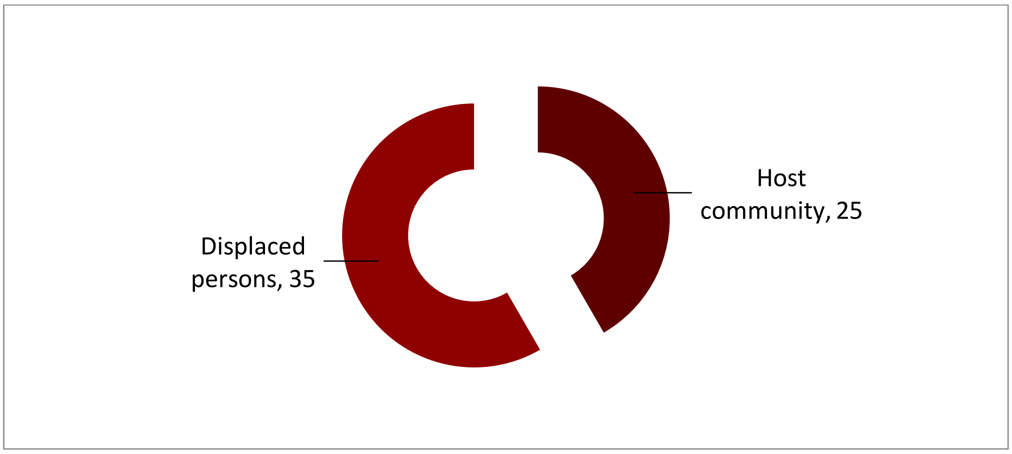
It seems like the opinions are mixed with the price levels as one of the most debated issues: some people think Baga Sola market is cheaper than other markets, while others think the opposite. It probably depends on which market they compare it with. Most probably, in Bol market prices are relatively lower because it is a bigger market and more centrally located, so people who tend to travel to Bol regularly might find Baga Sola more expensive.

Finally, respondents were asked to provide recommendations to improve the market. Some of the most common recommendations are:

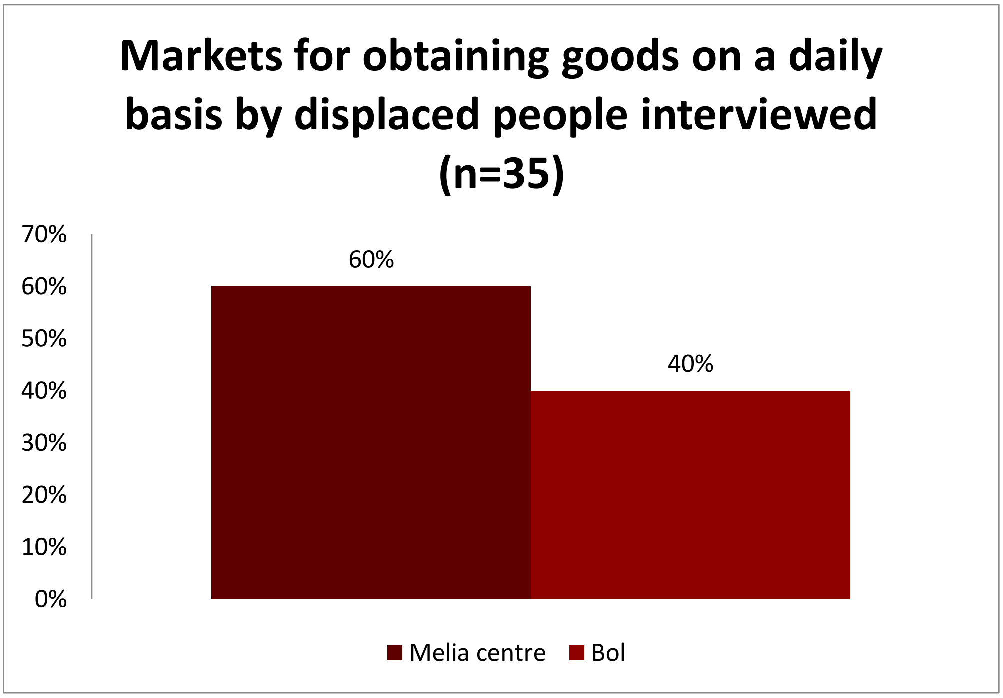
- There is a need for peace to return to facilitated commercial trade;
- Reduce the prices of already expensive products;
- There should be more vegetables and fish at more affordable prices;
- Stimulate and create income generating activities;
- Provide women selling fish with equipment;
- Promote the sales of cereals;
- The security at the market is not guaranteed;
- There is a high risk of fire breaking out at the market;
- Modernise the market;
- Commercialise on a large scale the sugar production and trade.

4.3 FINDINGS FROM THE CONSUMER SURVEY: BOL

In the region of Bol, 60 people were interviewed, 35 displaced persons and 25 people from the host communities. This includes 10 inhabitants of the town of Bol.

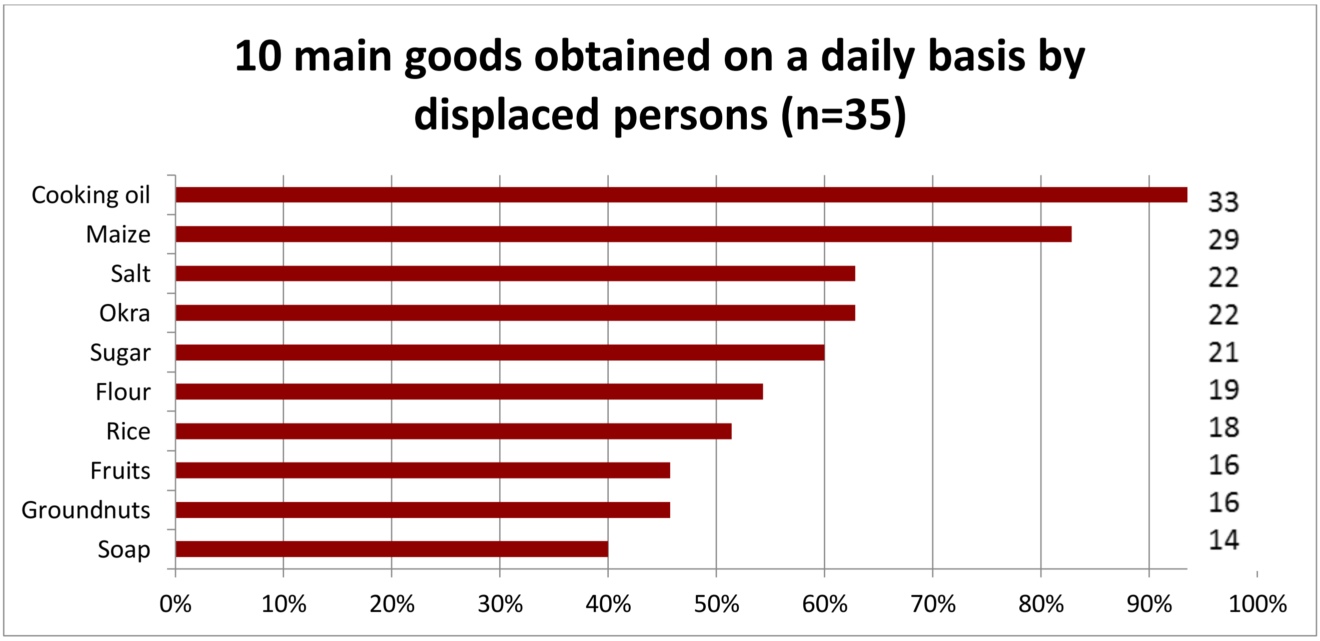


The major markets for obtaining goods on a daily basis are Melia Centre (60%) and Bol (40%).



The 10 main goods obtained on a daily basis are listed below. Respondents were asked to mention the 10 main goods that they are buying in the market.[44]

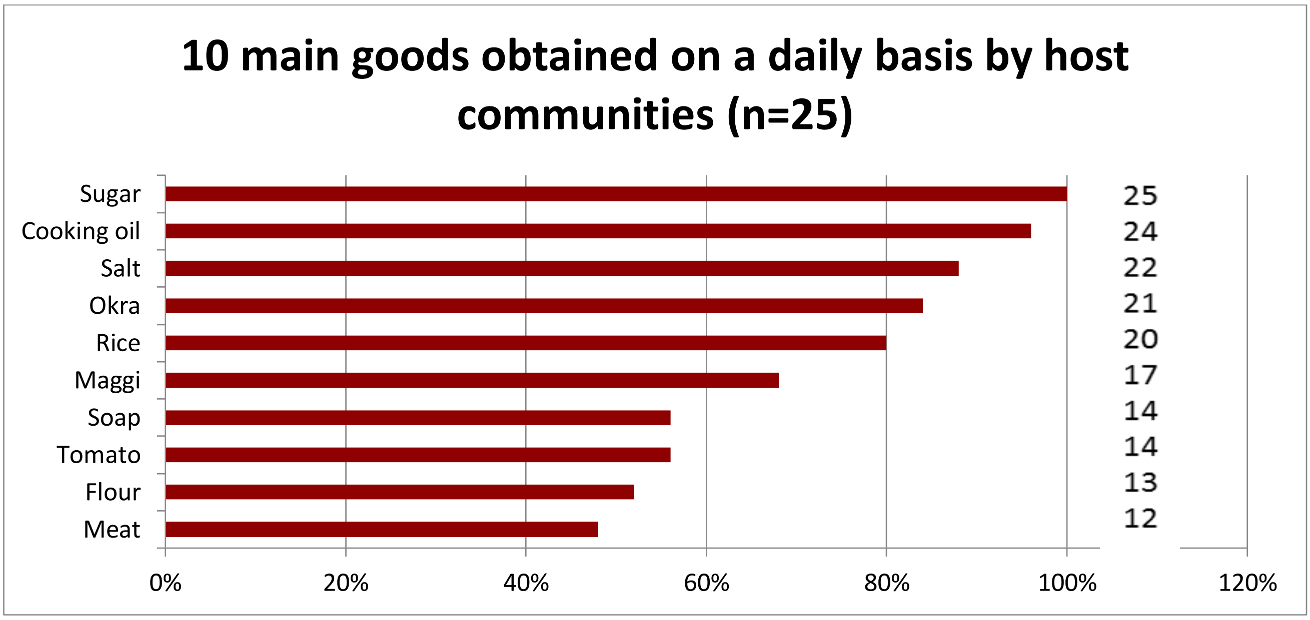
After analysing and aggregating the data, it appears that cooking oil, maize, salt, okra and sugar are the five most consumed products of displaced persons. It is striking that the majority of the top 10 products are currently imported, even though – with the exception of salt - they could all be produced locally.



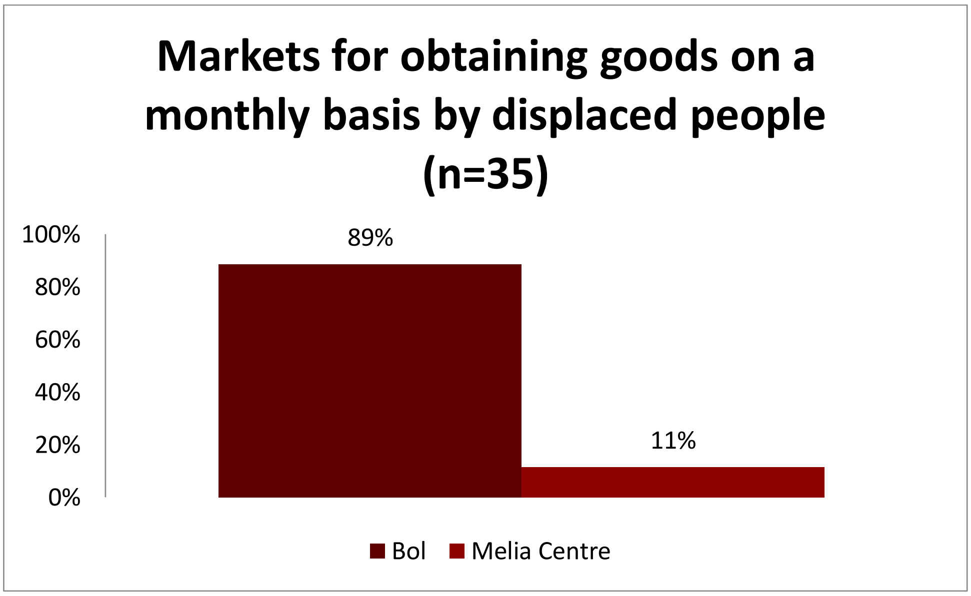
For host communities, the following 10 goods are most commonly bought in the market. Most remarkable difference is the importance of meat, which takes a more important role in the diet of host communities

[44] In the figure below, the percentage indicates how many respondents provided this response out of the total sample; the number indicates the absolute amount of respondents that provided this response.

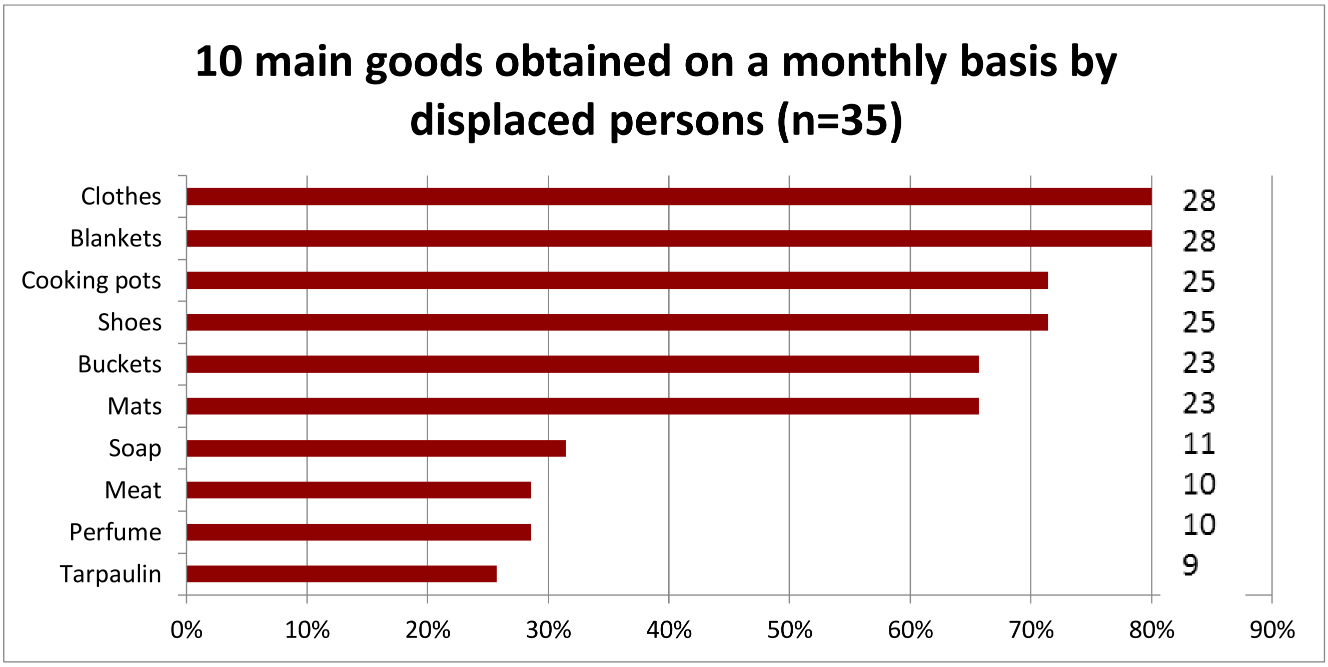
compared to displaced persons. This is explained by the fact that displaced persons have lower income and are, therefore, more limited in their diet.

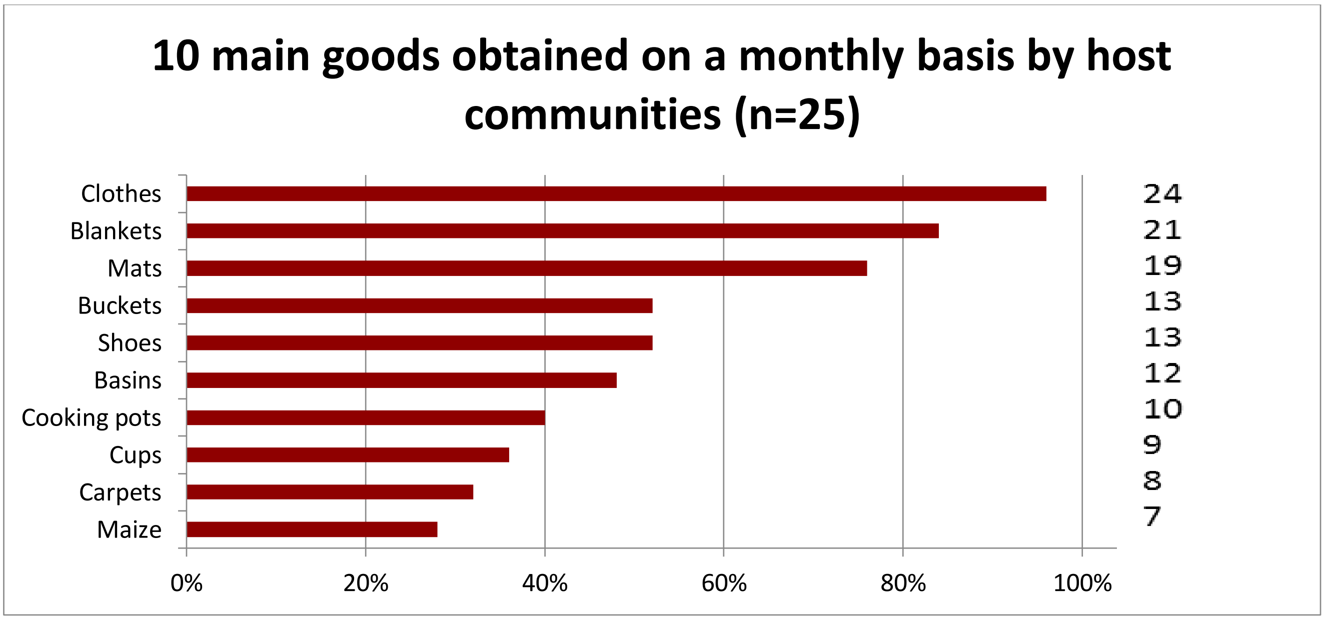


The following figure indicates the markets used to obtain goods on a monthly basis by displaced persons. The same two markets are listed as with goods obtained on a daily basis, but in the case of monthly-obtained goods Bol is by far the most important market (89% of respondents).

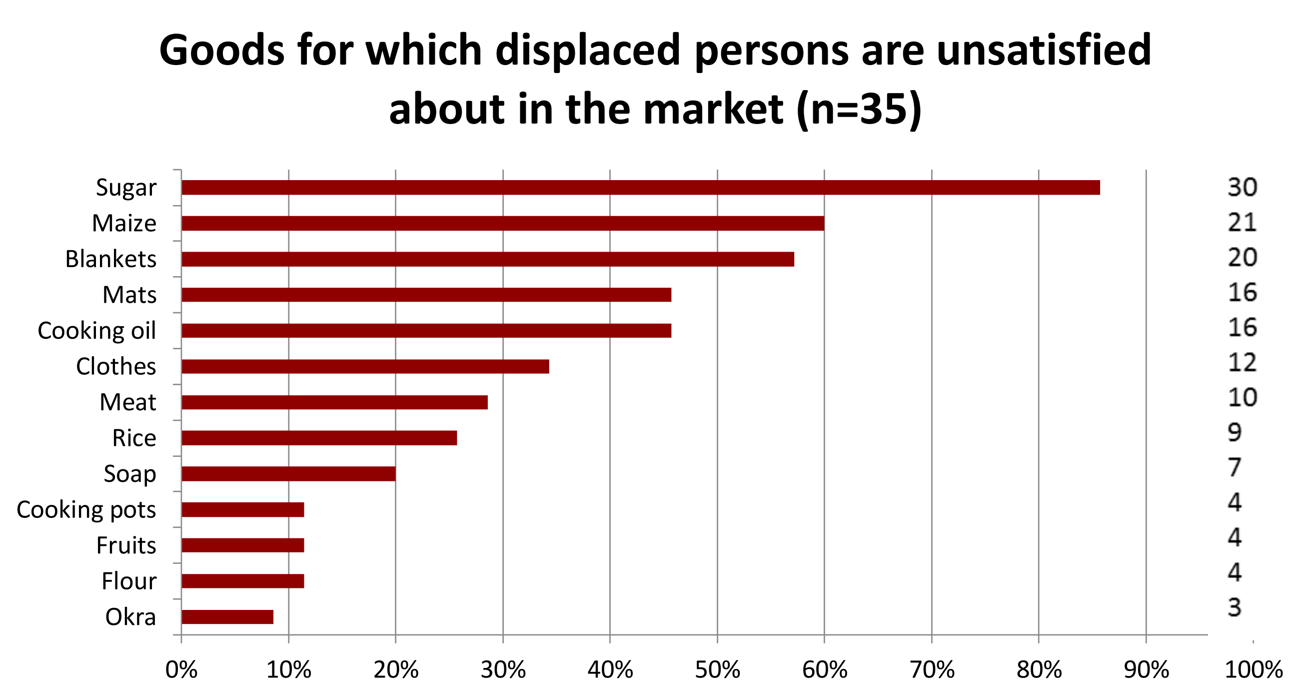


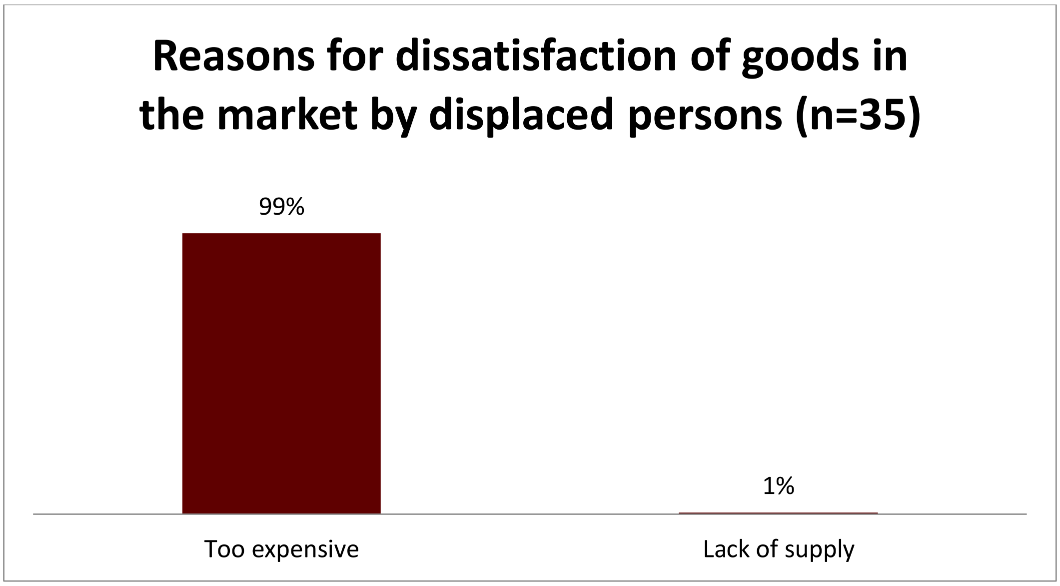
The five most important goods for displaced persons obtained on a monthly basis are clothes, blankets, cooking pots, shoes and buckets. The most consumed goods by host communities are clothes, blankets, mats, buckets and shoes.





When asked for which five goods they are less satisfied about, displaced persons responded in majority that they are unsatisfied about sugar, maize, blankets, mats and cooking oil, which are partly also the main goods consumed. The main reason for the dissatisfaction is the fact that these goods are too expensive. Only one respondent stated a lack of supply as reason for his dissatisfaction.

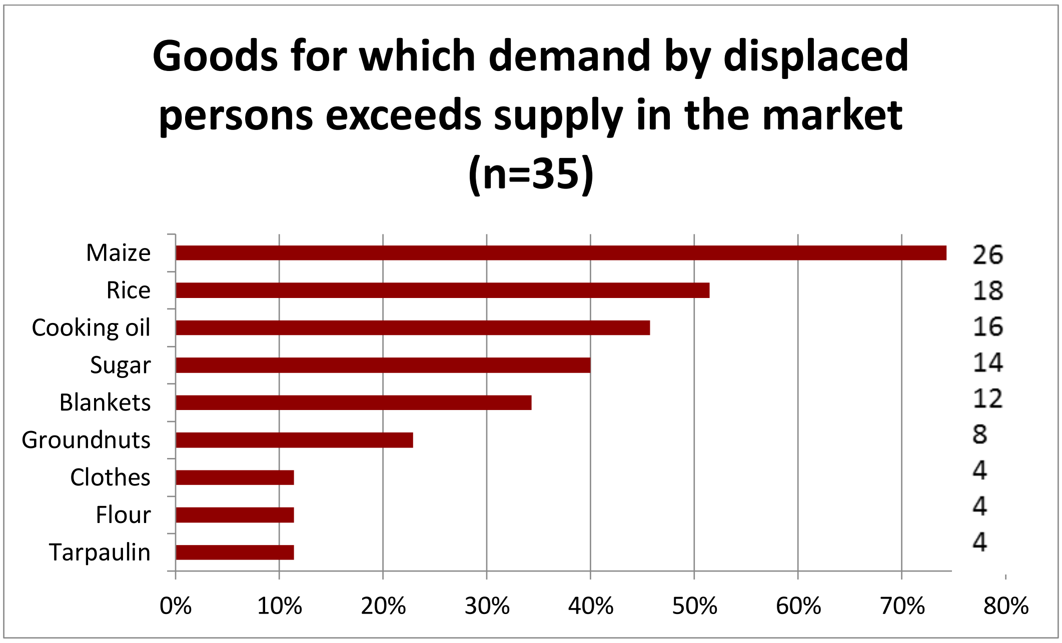


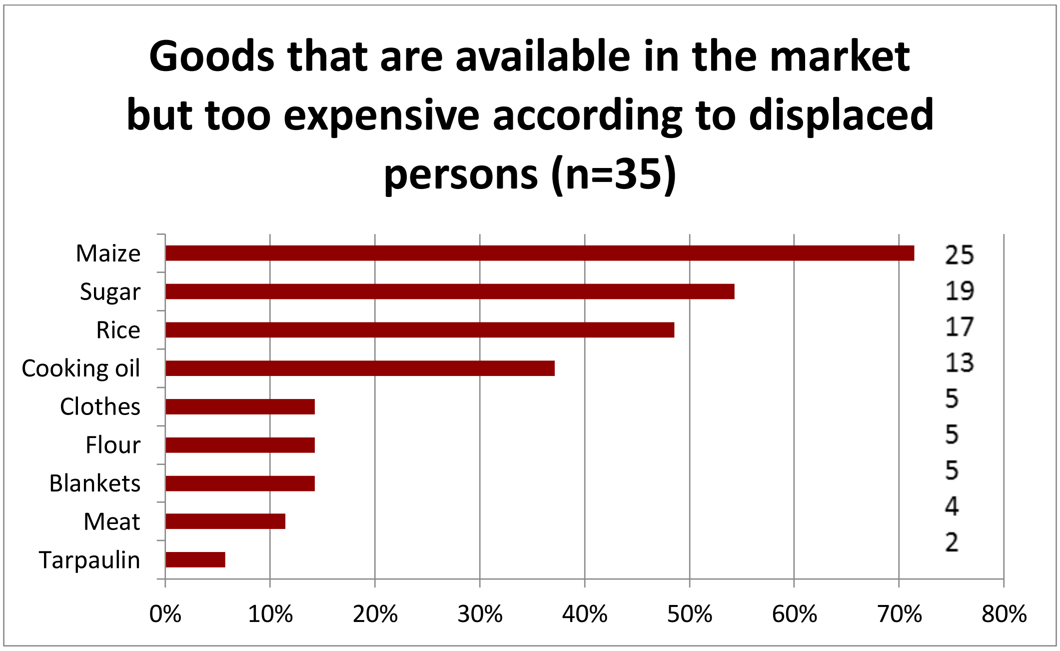


Next, the respondents were asked which goods they would like to buy more of if they would be available, indicating the goods for which demand exceeds supply in the market. The main goods mentioned were maize, rice, cooking oil, sugar and blankets.

In the following table it is shown which goods displaced persons find too expensive in the market. It concerns again maize, sugar, rice and cooking oil, as well as clothes.

It can be concluded that based on the unbalance between market demand and supply, the value chains of maize, sugarcane, rice and cooking oil (for instance from groundnuts) have high potential in the Bol region.





Next, displaced persons were asked to provide general comments on the functioning of the market. Some of the most common remarks were:

- Despite our difficult situation, the Bol market benefits all of us;
- Before the attacks by Boko Haram, the prices were affordable;
- The goods are expensive for displaced persons;
- The Bol market functions well;
- Due to bad condition of the roads and high taxes by the customs office, there is high inflation;

On the functioning of Melia market, the only daily market near one of the displacement sites, the following was remarked:

- There is a lack of goods at the Melia market;
- The two markets (Bol and Melia) are beneficial to us, despite the high prices.

Finally, respondents were asked to provide recommendations to improve the market. Some of the most common recommendations are:

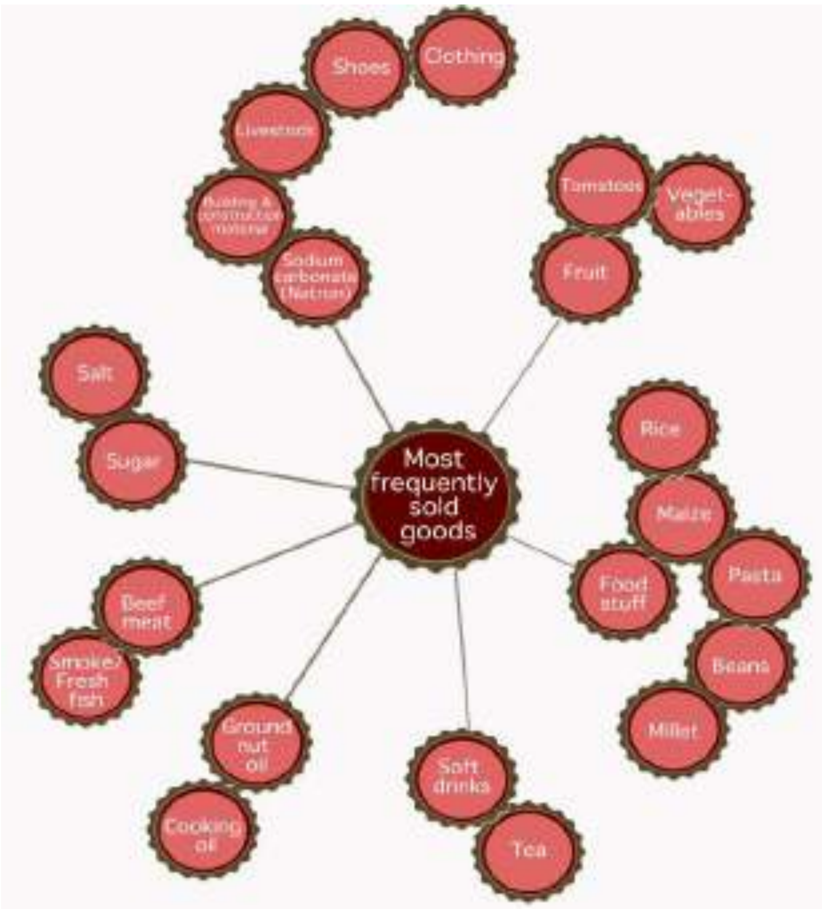
- Need to revise the customs regulations and reduce taxes as the customs authorities are taxing us too heavily;
- Need to improve the condition of the existing roads and build new roads to facilitate commercial trade;
- Reopen the border with Nigeria, so prices can be reduced.

4.4 FINDINGS FROM THE MARKET SURVEY: BAGA SOLA

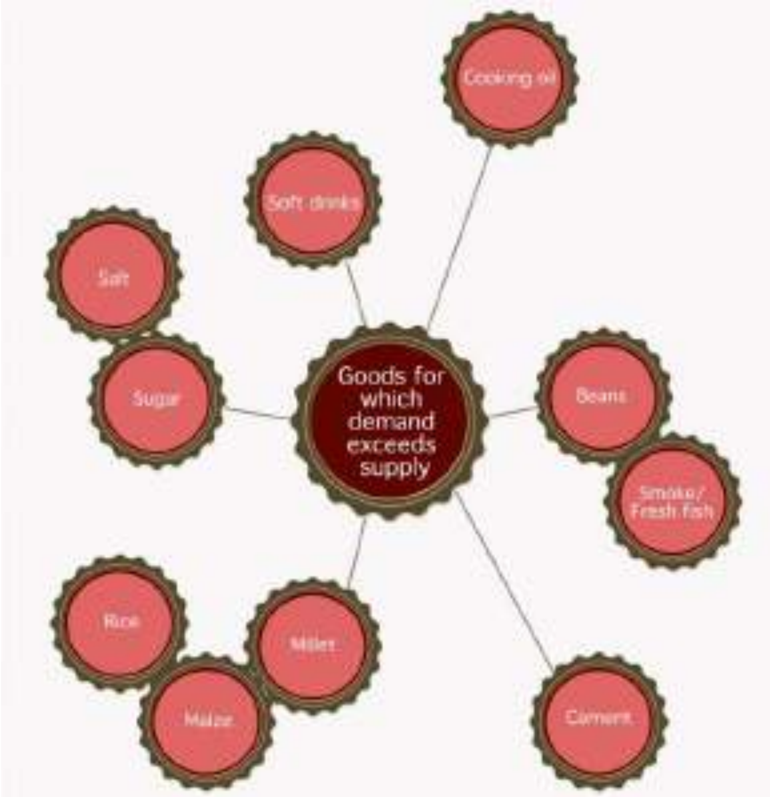
In Baga Sola, interviews were held with large commercial traders, small vendors and small service providers.

Large commercial traders

In Baga Sola, there are not many very large traders. Three of them were encountered and interviewed. These wholesale traders mostly sell to small vendors in the market. The **most frequently sold goods** are:

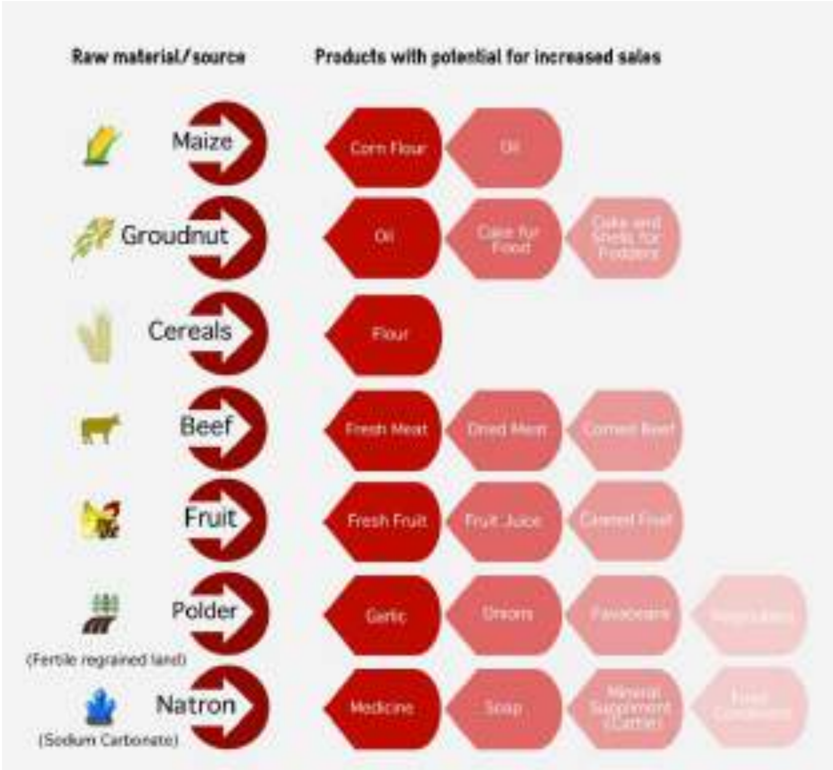


According to the traders, demand is sometimes exceeding supply. This is the case for the following products:

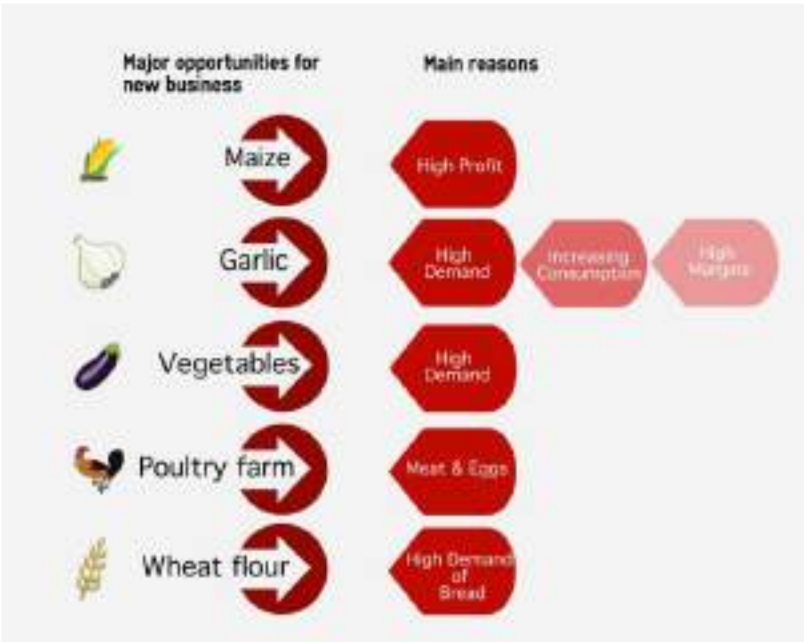


The main reasons for the unavailability of these goods are:

The major opportunities as identified by large traders are provided in the graph below:



When asked about the major opportunities for traders if they would start a new business, the following were mentioned:

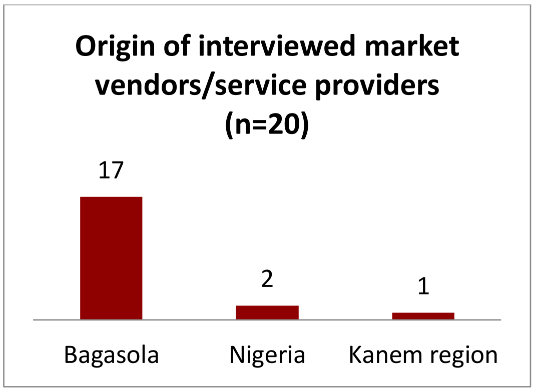


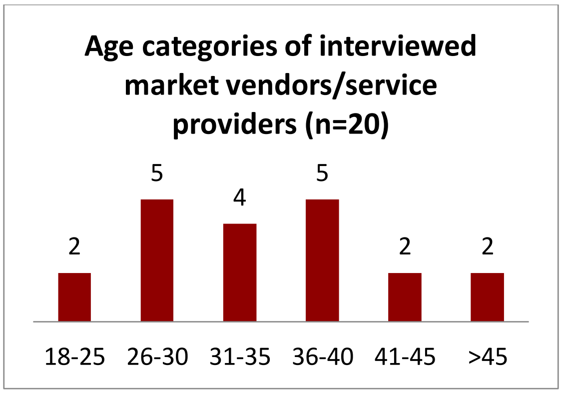
Other products that have high potential for local production include the following:

Small vendors and small service providers

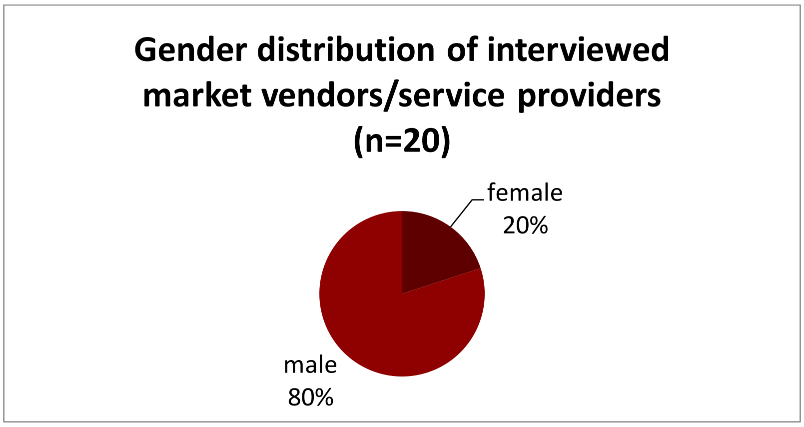
In Baga Sola, a total of 20 small vendors and service providers were interviewed through a structured questionnaire. The interviews focused on the main products and services offered, their monthly revenues, and the main challenges in their businesses. At the end of each interview, respondents were asked to mention a number of market opportunities that are worth considering because a particular product or service is not yet offered (or the market is not yet saturated) and because they have high potential as a source of income.

The origin of interviewed vendors and service providers is mostly from Baga Sola; a minority comes from outside Lake Region. The distribution of age categories is quite evenly distributed, although the majority of respondents are below 40 years of age.





As for the gender distribution, the majority of respondents in Baga Sola are male. This can be explained by the fact that even though in absolute terms there are probably more female vendors (mostly selling agricultural goods) particularly in small and informal market stalls, a number of small businesses are exclusively run by men, e.g. spare parts, clothes, shoes, blacksmiths, tailors, hairdressers.



The average number of dependents of the market vendors and service providers interviewed in Baga Sola was 8.4 persons (ranging from 4 to 16). For all types of vendors and service providers, it was reported that their main clientele is host communities, with the exception of one business (grinding mill), who stated that his main customers are displaced persons.

During the market survey, the major types of businesses were selected and interviewed, based on interviews with key informants and observations in the market. The following types of market vendors were interviewed:

Market vendors	Number of interviews held
Staple food, fruits and vegetables	5
Clothes and other textiles	3
Bread	1
Meat	1
Fish	1
Food stall	1

The following types of service providers were interviewed:

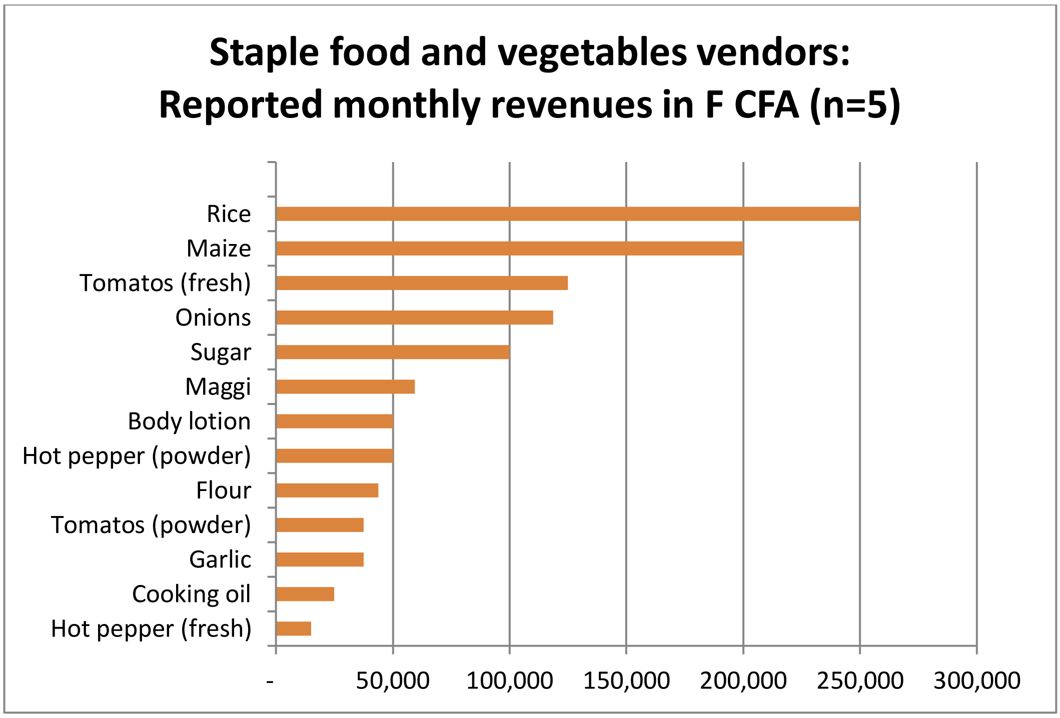
Service providers	Number of interviews held
Car and motorbike repair shop/sales of spare parts	2
Communication (mobile phones, credit, charging services)	1
Business services (photocopies, printing etc.)	1
Grinding mill for staple foods	1
House construction/carpentry	1
Medical care	1
Hairdresser	1

Next, the basic findings from the survey for each type of business are presented, first for market vendors, followed by service providers.

MARKET VENDORS

Staple food, fruits and vegetables

Staple foods, fruits and vegetables are sold by both men and women. The main products sold are given below, including their reported monthly revenues.[45]



For the five most important products (in terms of sales), the specific amounts are as follows:

Product	Reported monthly revenues in F CFA	Reported monthly revenues in Euros
Rice	250.000	381
Maize	200.000	305
Tomatoes (fresh)	125.000	191
Onions	118.750	181
Sugar	100.000	152

The total number of businesses in the market is unknown. With regards to the ability to respond to the demand of clients, there are various responses: sometimes they can, sometimes they cannot respond. The following products cannot always be offered to clients:

[45] For most products, the reported revenues are based on data of only 1 market vendor and the above data should therefore not be taken as average amounts, but merely as a rough indicator of the revenues for a selection of products. The figure for rice is an average for 3 market vendors and can therefore be considered a more reliable estimate.

Item	Reason
Macaroni	Price too high
Beauty products	Inferior quality
Garlic	Inferior quality
Milk powder	Price too high
Cereals	Insufficient stock
Mayonnaise	Insufficient stock

Clothes and other textiles

The interviewed vendors of clothes and other textiles are all male. The main products sold are:

- Skirts;
- Shirts;
- Dresses;
- Jerkins;
- Kabbas;
- Grand boubous;
- Pagnes/Fabrics;
- Shoes;
- Pret-a-porter;
- Blankets;
- Mats;
- Carpets.

In addition, out of the three traders interviewed, one trader stated that he provided ironing and laundry services as well.

The total number of businesses in the market appeared difficult to estimate, ranging between 15 and 77 (two traders provided these responses). With regards to the ability to respond to the demand of clients, there were various responses, sometimes the vendors can, sometimes they cannot. Products that vendors cannot always offer to clients and its reasons are as follows:

Item	Reason
Clothes	Insufficient stock
Blankets	Insufficient stock
Costumes	Design/style
Pagnes	Insufficient stock
Shoes	Insufficient stock

Bread

The interviewed vendor is male, and is selling the following products:

- Bread;
- Brownies.

The daily revenues amount to 100,000 F CFA (=€152) per day for each product, or a total of 200,000 F CFA (=€304) on a daily basis. On a monthly basis, the vendor reports revenues of 3,000,000 F CFA (=€4,573). There are no other bread vendors in Baga Sola, which means that he is a monopolist in this location. The vendor is always able to respond to the demand of his customers. One of the problems he is facing is that sometimes the inputs needed for his products (flour, sugar and salt) are very expensive or there is insufficient supply from traders.

Photo 16: Children working as bread vendors in Bol central market

Meat

The interviewed vendor is male, and is selling roasted sheep meat only. His reported monthly revenues amount to 350,000 F CFA (=€534). Most of his clients are well-to-do. In total, there are nine meat vendors in Baga Sola. It often happens that he is not able to respond to the demand of his clients. Main reasons are a lack of supply of meat and the high buying prices of meat. His main sources of supply are local livestock producers as well as the livestock market of Bol.

Fish

The interviewed fish vendor is female and is selling the following types of fish with the reported monthly sales revenues (for the five main types of fish sold):

Type of fish	Reported monthly revenues in F CFA	Reported monthly revenues in Euros
Kawi	1.250.000	1.905
Ga	500.000	762
Mbodo	350.000	534
Lori	250.000	381
Bassa	250.000	381

The vendor is unaware of the total number of fish vendors in Baga Sola. For some products, she is unable to meet the demand of customers, including *lolo* (insufficient stock) and *mbodo* (prices too high for some customers). She is stating that she cannot always find fish of good quality. The main suppliers are local fishermen. A major constraint for the commercialisation is that the fish cannot be conserved, as there are no cold chain facilities. There is a need for better equipment so she can improve the quality of the products sold.

Food stall

The interviewed vendor is male, and he is reporting the following sales revenues for the four main products sold:

Product	Reported monthly revenue in F CFA	Reported monthly revenue in €
Juices/soft drinks	2.250.000	3430
Mineral water	1.250.000	1905
Sandwiches	250.000	381
Bread	250.000	381

In total, there are six food stalls in Baga Sola. At times, the interviewed vendor is unable to respond to the demand of his clients. This is mainly related to the high price of some of his products, predominately soft drinks. He is buying his products from N'Djamena and from neighbouring countries. The main constraint to the commercialisation is the power cuts, which causes malfunctioning of his fridge. Therefore, there is need for better equipment.

SERVICE PROVIDERS

Car and motorbike repair shop/sales of spare parts

The two interviewed owners of repair shops are both men. Main products sold and the reported monthly revenues are as follows:

Product/Service	Reported monthly revenues in FCFA	Reported monthly revenues in Euros
Motor filters	1.500.000	2287
Motor oil	1.180.000	1799
Batteries	1.100.000	1677
Gasoline	1.050.000	1601
Tires	600.000	915
Brake fluid	375.000	572

One of the shop owners stated that he is selling mobile phone credits as well. The total number of businesses in the market appeared difficult to estimate, ranging between 3 and 10.

The main reasons for not being able to respond to the demand of clients are insufficient stocks and a lack of financing to buy products. Major challenges related to the commercialisation are:

- Delayed delivery of stock (especially of motor oil, gasoline and spare parts, including Piston, Segment room and Bougie);
- Fluctuating prices.

Communication (sales of mobile phones, telephone credit, charging services)

The interviewed owner of a communication shop is male. Main products sold and the reported monthly revenues are as follows:

Product/Service	Reported monthly revenue in F CFA	Reported monthly revenue in Euros
Mobile phones	840.000	1280
Mobile phone credits	300.000	457
Charging of phone batteries	200.000	305
Telephone accessories	150.000	229

The total number of communication businesses in the market is 10. The main reasons for not being able to respond to the demand of clients are insufficient stocks (in the case of telephone credits and mobile phones), low quality (in the case of phone chargers) and elevated prices (in the case of newest models mobile phones). Major challenges related to the commercialisation are:

- Delayed delivery of stocks;
- Fluctuating prices;
- High cost of gasoline;
- Breaking down of generator.

Business services (photocopies, printing etc.)

The shop owner is male. In addition to business services, he is also selling medicines, which is the major source of income.

Product/Service	Reported monthly revenue in F CFA	Reported monthly revenue in €
Medicines	150.000	229
Photocopies	90.000	137
Plastification (of ID cards, diplomas etc.)	75.000	114
A4 paper	20.000	30

The total number of this type of business in the market is three. The main reason for not being able to respond to the demand of clients is insufficient stocks (especially for printing services, sphygmomanometers and treatment of malaria). Major challenges related to the commercialisation are:

- Insufficient stocks;
- Fluctuating prices;
- Lack of clients in certain times of the year (especially April/May).

Photo 17: Business center in Bol

Grinding mill for staple foods

The shop owner is male. The major source of income is grinding various agricultural products, including maize, sorghum, okra, wheat and groundnuts. Total revenues on a monthly basis amount to 60,000 F CFA (= €91). Contrary to most other businesses, the main customers of this business are displaced persons with low income. The total number of this type of business in the market is 17. The main reason for not being able to respond to the demand of clients is a breakdown of the grinding mill.

House construction/carpentry

The shop owner is male. The major source of income is designing and constructing houses. Total revenues on a monthly basis amount to 500,000 F CFA (= €762). For the five main services, revenues are as follows:

Product/Service	Reported monthly revenue in F CFA	Reported monthly revenue in €
House construction	200.000	305
Design of houses	100.000	152
Brickmaking	50.000	76
Painting of houses	50.000	76
Carpentry	30.000	46

The total number of this type of business in the market is eight. The main reasons for not being able to respond to the demand of clients are elevated prices (especially for bricks and painting oil) and lack of transport. The exponential rise in prices is mentioned as the main obstacle to commercialisation.

Medical care

The shop owner is male. The major source of income is consultation, vaccinations, medicine dripping, medical support and oral medicines. For the three main services, the monthly revenues are as follows:

Product/Service	Reported monthly revenue in F CFA	Reported monthly revenue in €
Consultation	50.000	76
Vaccinations	2.500	4
Medicine dripping	5.000	8

The total number of this type of business in the market is 17. For a number of treatments, it is not possible to satisfy the demand of clients due to a lack of sufficient supply, especially for antibiotics, anti-malaria and antiretroviral medicines. Often, these products are delivered with large delays.

Hairdresser

The interviewed hairdresser is male and originates from Nigeria. He is only providing services for men. On a monthly basis, his revenues amount to 120,000 F CFA (=€182). He is often unable to respond to the demand of clients, but did not specify for what reason. The main obstacles to commercialisation are delayed delivery of inputs as well as fluctuating prices.

Market potential according to vendors and service providers in Baga Sola

According to the interviewed vendors and service providers, there are many opportunities for income generation. This includes the following opportunities and its justification according to the respondents:

Market opportunity	Justification
Agriculture:	
Groundnuts for oil production	High local demand
Maize production for flour and oil production	High local demand
Onion and garlic production (and other vegetables)	High local demand
Wheat for flour production	High local demand
Rice production	High local demand
Natural products:	

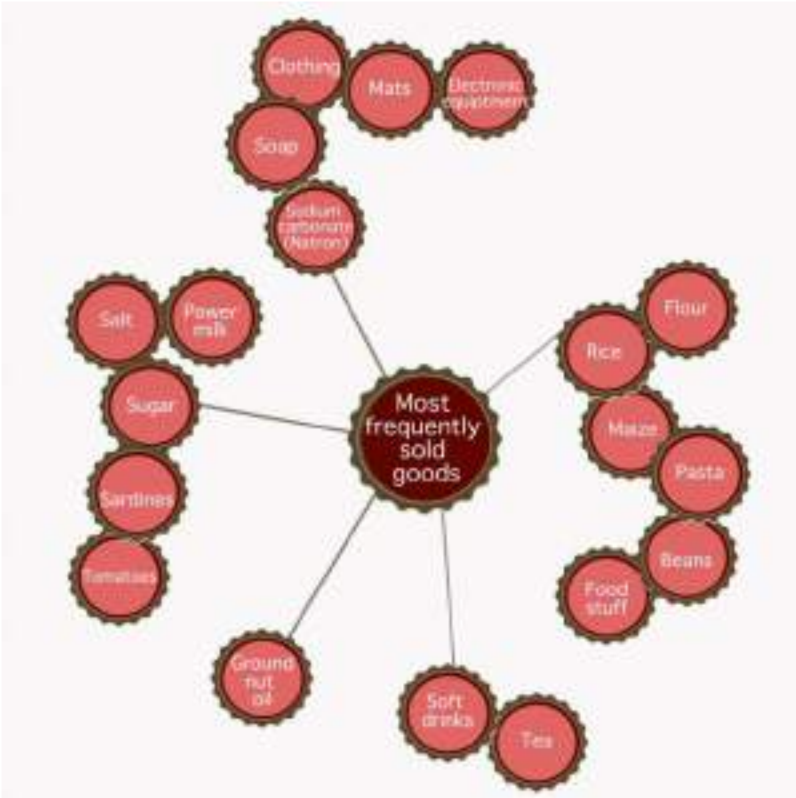
Spirulina harvesting and processing	High local demand for medicinal purposes
Harvesting and drying of “dome” fruit	Used as alternative to charcoal
Cow dung	Used as alternative to charcoal
Natron mining	High demand, both locally and for export
Services:	
Modern bakery	Large scale production of high quality bread
Hotels/restaurants	Not available in Baga Sola
Informatics services/cybercafé	Local demand for transfer of files and applications, internet and messaging services, printing services
Costume manufacturing/women garments	High demand for costumes and women garments
Community radio	Contributes to local development
Garage services	Profitable business
Generators	High local demand for electricity
Modern health clinic	High local demand
Trade:	
Import of solar panels	High local demand for electricity, especially for good functioning of fridges
Import of agro foods	High local demand
Trade of fish to other regions of Chad	High local supply of fish, high demand elsewhere
Manufacturing:	
Ice making factory	High local demand
Brickmaking	High local demand
Mineral water production	High local demand
Fish processing	Potential for export
Cooking oil production facility	High local demand

4.5 FINDINGS FROM THE MARKET SURVEY: BOL

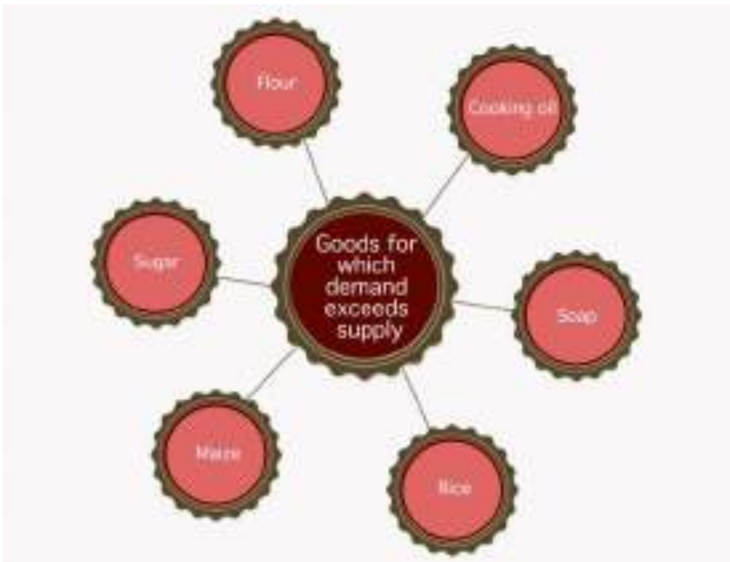
Also in Bol, interviews were held with large commercial traders, small vendors and small service providers. The results are provided below.

Large commercial traders

In Bol, there are a significant number of large traders, because the city is a trade hub for the Lake Chad region. In total, 10 traders were encountered and interviewed. These traders, who operate as wholesale traders, mostly sell to small vendors in the market. The most frequently sold goods are:



According to the traders, it happens that demand is sometimes exceeding supply. This is the case for the following products:

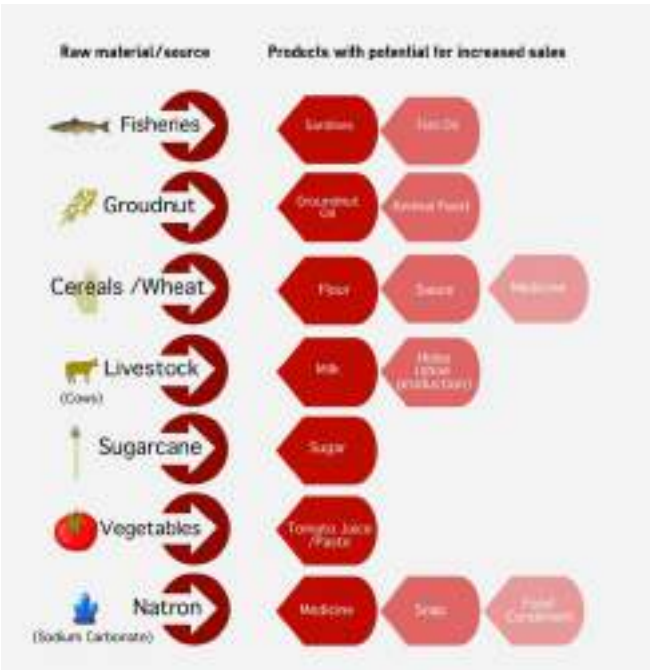


The main reasons for the unavailability of these goods are:

- Delays caused by the bad state of the roads;
- High buying prices;
- Insufficient stock/suppliers are unable to provide demanded quantities;
- Lack of capital to buy goods;
- Heavy taxation;
- The main sources of supply are N'Djamena and Nigeria, Cameroon, Niger;

Photo 18: Large commercial trader in Bol

The major opportunities as identified by large traders are provided in the graph below.



When asked about the major opportunities for traders if they would start a business right now, the following were mentioned:

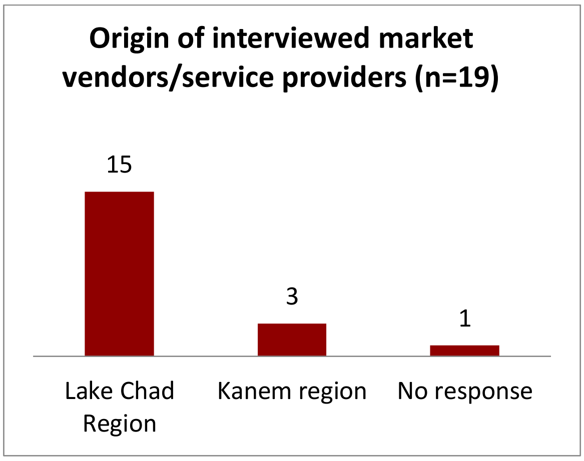
Out of these opportunities, the most frequently mentioned are flour (5 out of 10 traders) and cooking oil (6 out of 10 traders).

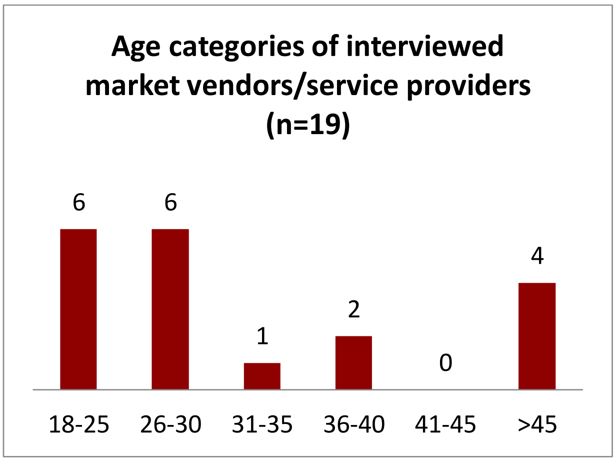
Other products that have high potential for local production include the following:

Small vendors and small service providers in Bol

In Bol, a total of 19 small vendors and service providers were interviewed through structured questionnaires (see previous section on Baga Sola for more details).

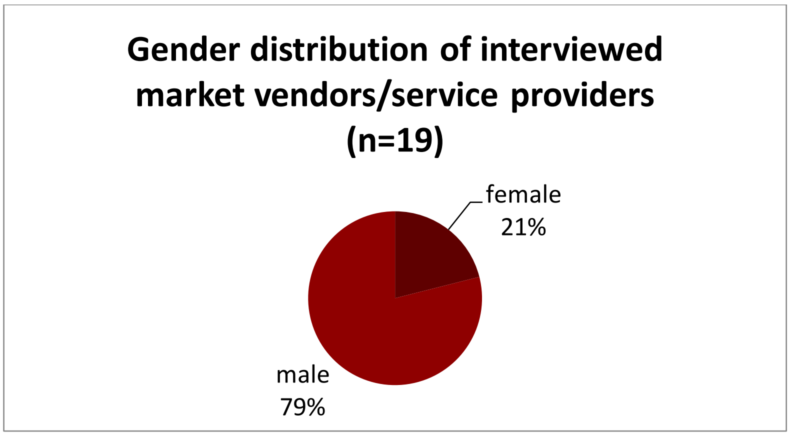
The origin of interviewed vendors and service providers is mostly from the Lake Chad region; a minority comes from outside Lake region.





The distribution of age categories is not even, compared to Baga Sola: the majority of respondents are below 30 years of age, while there are also relatively many respondents of over 45 years of age.

As for the gender distribution, the majority of respondents in Bol are male (see the section on Baga Sola for an explanation).



The average number of dependents of the displaced persons interviewed was 10.6 persons (ranging from 3 to 20). For the majority of vendors and service providers (13), it was reported that their main clientele is host communities. Six vendors and service providers reported that their customers are both host communities and displaced persons.

During the market survey, the major types of businesses were selected and interviewed, based on interviews with key informants and observations in the market. The following types of market vendors were interviewed:

Market vendors	Number of interviews held
Staple food, fruits and vegetables	6
Clothes and other textiles	3
Food stall	1

The following types of service providers were interviewed:

Service providers	Number of interviews held
Car and motorbike repair shop/sales of spare parts	2
Communication (mobile phones, credit, charging services)	2

Business services (photocopies, printing etc.)	1
Blacksmith	1
Carpenter	1
Taxi services	1
Hairdresser	1

Next, the basic findings from the survey for each type of business are presented, first for market vendors, followed by service providers.

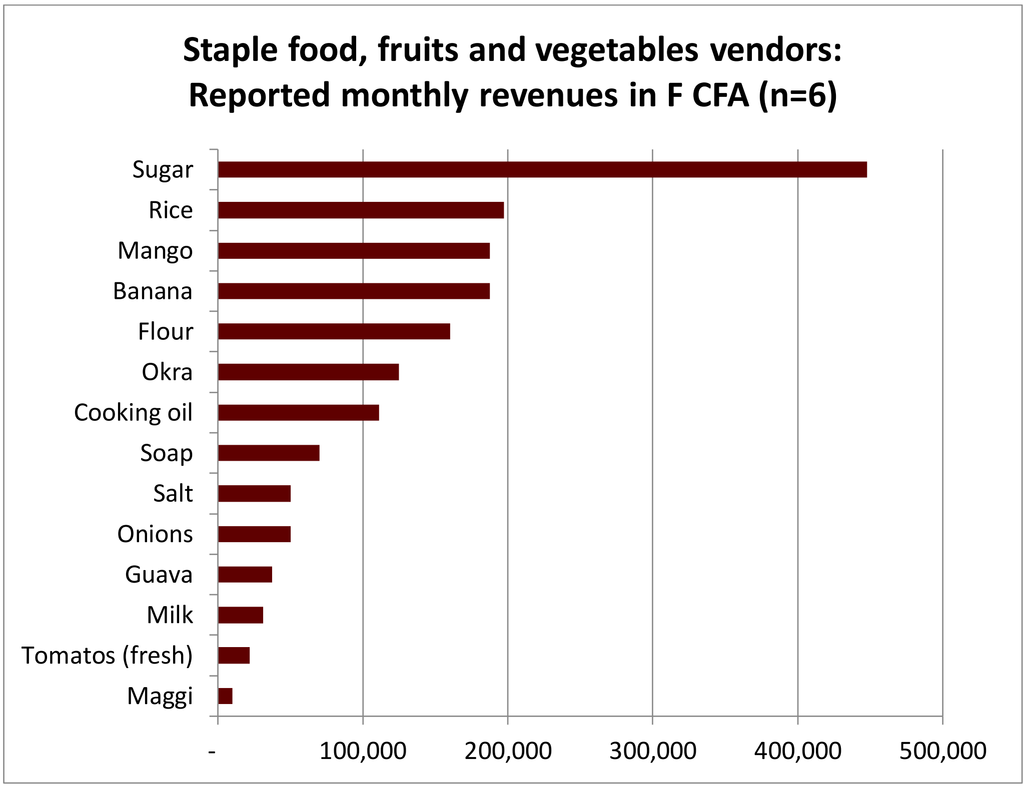
MARKET VENDORS

Staple food, fruits and vegetables

Staple foods and vegetables are sold by both men and women. The main products sold are given below, including their reported monthly revenues.[46]

Photo 19: Bol Central Market

[46] For most products, the reported revenues are based on data of only 1 market vendor and the above data should therefore not be taken as average amounts, but merely as a rough indicator of the revenues for a selection of products. The figures for sugar, rice and cooking oil are averages for at least 3 market vendors and can therefore be considered a more reliable estimate



For the five most important products (in terms of sales), the specific amounts are as follows:

Product	Reported monthly revenues in F CFA	Reported monthly revenues in Euros
Sugar	447667	682
Rice	301000	459
Banana	187500	286
Mango	187500	286
Flour	160000	244

With regards to the ability to respond to the demand of clients, there are various responses: most vendors state that they can respond to the demand of their customers. One vendor states that he cannot always respond to the demand for flour because of inferior quality.

Clothes and other textiles

Out of the three interviewed vendors of clothes and other textiles, two are male and one is female. The main products sold are:

- Fabrics;
- Carpets;
- Mats;
- Clothes;
- Shoes;
- Hand bags.

Photo 20: Food seller in Bol central market

In addition, out of the three traders interviewed, one male trader stated that he provided sewing and modification services as well. The female trader stated that she also sells fruits. The products are mostly supplied from Nigeria, and from Libya as well (for one trader).

Drinks/snacks

The interviewed vendor is male, and he is selling bread, beans and sauce. For the beans and sauce, monthly sales revenues amount to 240,000 F CFA (=€366). The total number of businesses in the market is unknown.

SERVICE PROVIDERS

Car and motorbike repair shop/sales of spare parts

The two interviewed owners of repair shops are both men. Main products sold are as follows:

- Batteries;
- Gear boxes;
- Spark plugs;
- Car washing;
- Welding services;
- Mechanics.

In addition, one respondent indicated that he is also working as a blacksmith and as a shoemaker. For car washing services, one shop owner replied that he was not always able to respond to the demand of customers.

Communication (sales of mobile phones, telephone credit, charging services)

The two interviewed owners of a communication shop are both male. Main products sold and the reported monthly revenues are as follows:

Product/service	Reported monthly revenues in F CFA	Reported monthly revenues in Euros
Mobile phones	3.787.500	5774
Radios	1.750.000	2668
Batteries	500.000	762
Light bulbs	312.500	476
Charging of phone batteries	225.000	343
Watches	175.000	267
Children's toys	75.000	114

Photo 21: Mobile phone seller, Bol central market

Business services (photocopies, printing etc.)

The shop owner is male. He is providing the following business services and monthly revenues:

Product/service	Reported monthly revenues in F CFA	Reported monthly revenues in Euros
Photocopies	560.000	854
Plastification	525.000	800
Printing	144.000	220
Binding	135000	206
Office materials	28.000	43

Blacksmith

The shop owner is male. He is making and selling the following products (including monthly revenues):

Product/service	Reported monthly revenues in F CFA	Reported monthly revenues in Euros
Hoe	60.000	91
Poueles (frying pans)	42.000	64
Ganoue (traditional cookstoves)	40.000	61
Knife	7.200	11

One of the main challenges is the supply of firewood, which sometimes makes it impossible to respond to the demand of his clients.

Photo 22: Blacksmith stall in Bol central market

Carpenter

The shop owner is male. He is making and selling the following products (including monthly revenues):

Product/service	Reported monthly revenues in F CFA	Reported monthly revenues in Euros
Bed	625.000	953
Door	312.500	476
Bench	150.000	229
Table	60.000	91
Mold	4.000	6

Taxi services

The respondent provides motor taxi services. All motor taxi drivers in Bol are male. These informal taxi drivers are also referred to as “clandos” because they operate semi-legally. The average revenues on a daily basis is 10,000 F CFA, or 250,000 F CFA on a monthly basis (=€381).

Hairdresser

The respondent is male. He provides hairdressing services to adults as well as children. The average revenues on a daily basis is 15,000 F CFA, or 375,000 F CFA on a monthly basis (=€572).

Photo 23: Hairdresser in Bol central market

Market potential according to vendors and service providers in Bol:

According to the interviewed vendors and service providers, there are many opportunities for income generation. This includes the following opportunities and its justification according to the respondents:

Market opportunity	Justification
Agriculture:	
Rice production	High local demand
Sugarcane production	High local demand
Sweet potato production	High local demand
Groundnut production	High local demand
Beans production	High local demand
Natural products:	
Mango production	High local demand
Soap production	High local demand
Natron production	High local demand
Tree planting	High local demand
Services:	
Modern bakery	High local demand for bread
Telephone cabin/cybercafé	High local demand
Trade:	
Mobile phones	High local demand
Electronic devices	High local demand
Manufacturing:	
Flour production	Input for local bakery
Cooking oil production	High local demand

4.6 LIST OF PRODUCTS AND SERVICES THAT ARE PROFITABLE AND IN DEMAND

Due to the small sample size (for some businesses up to five interviews were held, but for the majority only one business owner was interviewed), the results of the survey among small vendors and small service providers do not provide empirical evidence, but they provide a first indication. Respondents were asked about their revenues, but not about the profits made, as this is usually considered a sensitive topic. Hence, the data does not indicate the profitability, but they provide an indicator of the financial significance of various businesses. Based on the monthly revenues, the following goods appeared to generate high revenues:

- Sugar;
- Rice;
- Maize;
- Meat;
- Fish;
- Bread;
- Juices/soft drinks;
- Mineral water;
- Possibly clothes and textiles[47].

Also, the following services appeared to generate high revenues:

- Communication;
- Spare parts;
- Business services;
- Carpenter;
- House construction.

Based on the analysis of both consumer and trader/vendor's surveys, the following value chains came out as having the highest potential:

Agriculture

1. Groundnuts value chain (oil, cake, paste and fodders);
2. Cereal value chains, including maize, rice and wheat (flours, bakery and pastry, pasta);
3. Spirulina value chain (powder, soap, medicine);
4. Fruit juice value chain (mango, papaya, guava).

Livestock

1. Meat value chain (fresh meat, dried meat, skins, tannery, leather products);
2. Dairy products value chain (milk, butter, yoghurt, cheese).

Fishery

1. Smoked fish;
2. Dried fish;
3. Fresh fish;
4. Canned fish.

Other opportunities

1. Sodium carbonate value chain (natron) medicaments, soap, animal feed, condiments;
2. Traditional straw mats production and sale;
3. Electric power generation and distribution for private households;
4. Traditional house building;
5. Internet café, bar and bakeries.

[47]The revenues recorded for clothes and textiles seemed to be extremely high and were therefore not included in the report.

4.7 LOCAL MARKET TRENDS AND FACTORS THAT AFFECT LOCAL SELLERS (SUPPLY) AND CONSUMERS (DEMAND)

On the basis of the analysis of both consumer and trader surveys and the information from key informants, the main factors and trends impacting on demand and supply in the markets of Baga Sola and Bol, related to the main productive sectors are:

Agriculture

- An underutilization of the 3-crop seasons (cold, hot and dry);
- The slow pace of land distribution (3 types of land);
- A low diversification of products;
- An unfair competition for increasingly limited resources;
- A non-efficient management of the feeding places along the livestock routes to foreign markets;
- A lack of management of pastures and forage supply;
- The scarcity of training services (training centres and training programmes) in the region, in agriculture farming and off-farming activities such as crop farming (weeding, staking, cultivation, fertilisers), mechanics for irrigation schemes, waged labour requirements, management of agricultural produce;
- The poor infrastructures for storage, processing and marketing and absence of related management services.

Fishery

- A demand that increasingly exceeds supply because of the declining annual fish catches and biodiversity loss;
- The restriction of the catching areas for security reasons compel small-scale open-water fishers to switch to swamp and floodplain fisheries, which would require specialized fishing gear that they are lacking;
- Large-scale fishers have been forced to invest in bigger and safer boats to enable them to migrate on longer distances to access open waters of the Lake to catch species of higher value;
- Depletion of fish stocks from overfishing and the increase of wood-burning smoking fish processing has brought as a consequence, a reduction of trees from deforestation;
- Poor management of fish conservation and food wastage at every stage, from sanitary conditions of marketplaces, to handling procedures and delays in transportation;
- Poor infrastructures of, often temporary, fishing camps generally utilised by small groups of highly mobile fishermen, of different ethnicities and levels of experience.

Livestock

- The unbalanced distribution of livestock rearing and pastoralism activities;
- An increased shift from rearing grazing animals (cattle and camel) to browsing animals (sheep and goat) and from a predominant type of livestock to mix of cattle, small ruminants, poultry, and equines, because of decreased grazing land;
- During the dry season, edge and islands of Lake Chad offer valuable grazing offers land, but during the rainy season, the need for the animals to return to homelands free from tsetse and horseflies remains;
- Seasonal conflicts by and between settled herders and migratory pastoralists on livestock transhumance for use of land, access to pasture and livestock grazing have not ceased and, possibly increased due to the overcrowded situation;

- Agreements between farmers and neighbouring herders to allow cattle to eat farmers' crop residues in return for manure dropped on cropping fields are not easily reached, protracting a potential conflicting situation;
- Veterinary services are not provided to a sufficient scale with reference to the new situation of high concentration of livestock in the areas.

4.8 A SUPPLY–DEMAND ANALYSIS IN BAGA SOLA AND BOL

Regarding the supply and demand in Baga Sola and Bol, the following has been observed during the field survey:

A major challenge in satisfying local demand is price inflation, which has been significant over the last years. This is especially due to the security crisis and the closure of the borders with Cameroon and Nigeria, which has led to a sharp increase in transport cost. Goods that were formerly transported over the Lake (mainly imports from Nigeria) now have to be brought over land through Niger, which has led to a doubling of import prices and an estimated reduction in trade of more than 50%.[48]

Demand typically exceeds supply and buyers represent a wide range of tribes. Taxes and tariffs for market stalls are relatively high. Regarding revenues and taxes, foreign fishermen (Nigerian, Malian, Burkinabe) fish in Chadian waters without paying licences and taxes. Chadian fishermen travel to other countries for their catch, to avoid higher taxation for fishing and trading. Markets and trading practices reflect traditional authority systems (prestige of men in community). The fluctuation between Nigerian Naira and the CFA franc influences the directions of cross-border trade. There is a lack of market infrastructure in Baga Sola, the new market complex in Bol is not opened yet and there is an absence of business development services including access to microfinance.

4.9 ECONOMIC SERVICES AVAILABILITY AND GAPS

Regarding the availability and gaps of economic services, the following was observed:

Labour market

- Labour is a cross-cutting market required by both production and services;
- There is a manpower or labour surplus due to migration to the lake shore;
- Displaced persons compete with local population as daily labourers mostly in agriculture, fishery, building and construction, in a shrinking labour market;
- A labour market information system managed by labour central/local institution is not in place;
- Labour market institutions are not present;
- Labour market actors are not formally established (employers' and workers' organisations);
- The current labour market intermediation is based on informal exchanges and family/ethnic group networks.

Access to land

- The institution in charge of land tenure and distribution is SODELAC mandated by the Ordinance 22 of 1967, and an additional mediation role is played by traditional chiefs;
- SODELAC manages a programme of land reclaiming, preparation for cultivation and distribution;

[48] Interview with Brigade Commerciale, Customs office, Bol, July 2016

- SODELAC is also a provider of extension services along with the local branches of line ministries in charge of agriculture, livestock, and fishery);
- The land available for distribution to displaced persons amounts to 1095 hectares in Bol and to 3058 ha in Baga Sola;
- Types of land includes polders, wadis and dunes;
- The major request from displaced persons is to have access to all types of land for differentiated agricultural production;
- To date, no systematic assignment process, based also on the criterion of location of displacement site has started yet.

4.10 SKILLS GAPS (DEMAND AND SUPPLY)

The skills provision capacity by public and private suppliers in the Lac region is structurally insufficient to address not only the needs of the local population, but also of the large communities of displaced persons, refugees and returnees that have installed in the area. In the course of the assessment, the following situation was detected:

- The Vocational Training Centre of the Ministry of Education in Bol is the sole public provider of Vocational Training in the two localities. In particular:
  - It offers regular courses leading to qualification in trades like mechanics, carpentry, masonry, plumbing, paintings, welding and metal working;
  - Short courses, for early school leavers alternating classroom sessions with work based training.
- There are eight small centres for livestock and animal husbandry formally depending on the concerned line ministries, offering short extension training;
- There are eight small centres for adult basic literacy and 132 education/literacy teaching sites with varying degree of formal classroom space;
- UNICEF will open a school including provision of non-formal education and training in Baga Sola;
- NGOs (Handicap International and Coopi) stated that they have plans to open a non-formal education (alternative) centre in Baga Sola in the year 2017.

There are examples of specialised training for unemployed youth provided by international development partners, such as:

- A training programme organised with the cooperation of USAID for 50 youth in furniture making and wood carpentry and support in establishing micro enterprises in 2014/15; 40 micro entrepreneurs were traced as still active after one-year time.

Continuous training for adults in connection with extension services is provided by the following agencies:

- Regional Directorate for Livestock (Delégations Régionales de l'élevage-DRE);
- Rural Development Training Centres (Centres de Formation pour la Promotion Rurale- CFPR);
- Public livestock services.

Private training providers active in the areas include:

- Short training courses on technical skills by NGOs (SECADEV, INADES, OXFAM);
- Short training on animal husbandry and health by Private veterinary doctors;
- Short training on treatments by private suppliers of veterinary medicaments.

A skill basis is precondition for creation of employment opportunities for displaced youth. The situation is characterised by an acute skills shortage rather than skills gap between skills possessed by youth and skills in demand in local labour markets. The skills supply will have to integrate flexible solutions for immediate response while new training institutions, curricula and programmes, teachers and trainers, infrastructures and equipment are available and operational.

5. IDENTIFIED OPPORTUNITIES

5.1 OVERVIEW OF POTENTIALLY PROFITABLE OPPORTUNITIES THAT CAN BE EXPLORED

The potentially profitable business opportunities have been identified through interviews with key informants, displaced persons and host communities, literature review and direct observation. They have been further assessed on the basis of the findings from the quantitative survey and discussion with businessmen active in the proposed sectors. They are aligned with the findings on local market dynamics and trends and the analysis by services and products and the consumers' preferences and trends.

The top market commodities/opportunities for business development in the displacement sites of displaced persons, host communities and the main markets of Baga Sola and Bol that clearly emerge from the above analysis are related to agricultural products, livestock, fishery and services like mechanics (auto mechanics and agriculture machinery mechanics and maintenance), building and construction (works and supply of material) and electricity production and distribution through fuel and solar generators. Labour is in demand in all the above businesses.

The value chains/markets that came out as having the highest potential are the following:

Table: Markets and products to develop.

Markets	Products
Best Livestock Markets	1. Meat value chain (fresh meat, dried meat, skins, tannery, leather products); 2. Dairy products value chain (milk, butter, yoghurt, cheese 3. Skins, hides and tanneries
Best Crops Markets	1. Groundnuts value chain (oil, cake, paste and fodders) 2. Cereal value chains (flours, bakery and pastry, pasta,) 3. Spirulina value chain (powder, soap, medicament) 4. Fruit juice value chain (mango, papaya, guava)
Fishery	1. Smoked fish 2. Dried fish 3. Fresh fish 4. Canned fish
Best Other Markets	1. Sodium Carbonate value chain (Natron) medicaments, soap, animal feed, condiments 2. Traditional straw mats production and sale 3. Electric power generation and distribution 4. Building and construction: traditional house building 5. Internet café, bar and bakeries
The best 3 markets to develop	1. Ground nuts oil 2. Dried meat 3. Sodium Carbonate 4. Electric power generation and distribution 5. Spirulina value chain (powder, soap, medicament)

5.2 TYPES OF SMALL BUSINESSES THAT WOULD BE PROFITABLE FOR YOUTH AT RISK AND HOST COMMUNITIES

The small businesses that can be considered for immediate development in relation to specific target groups are related to products and services. In particular, for products:

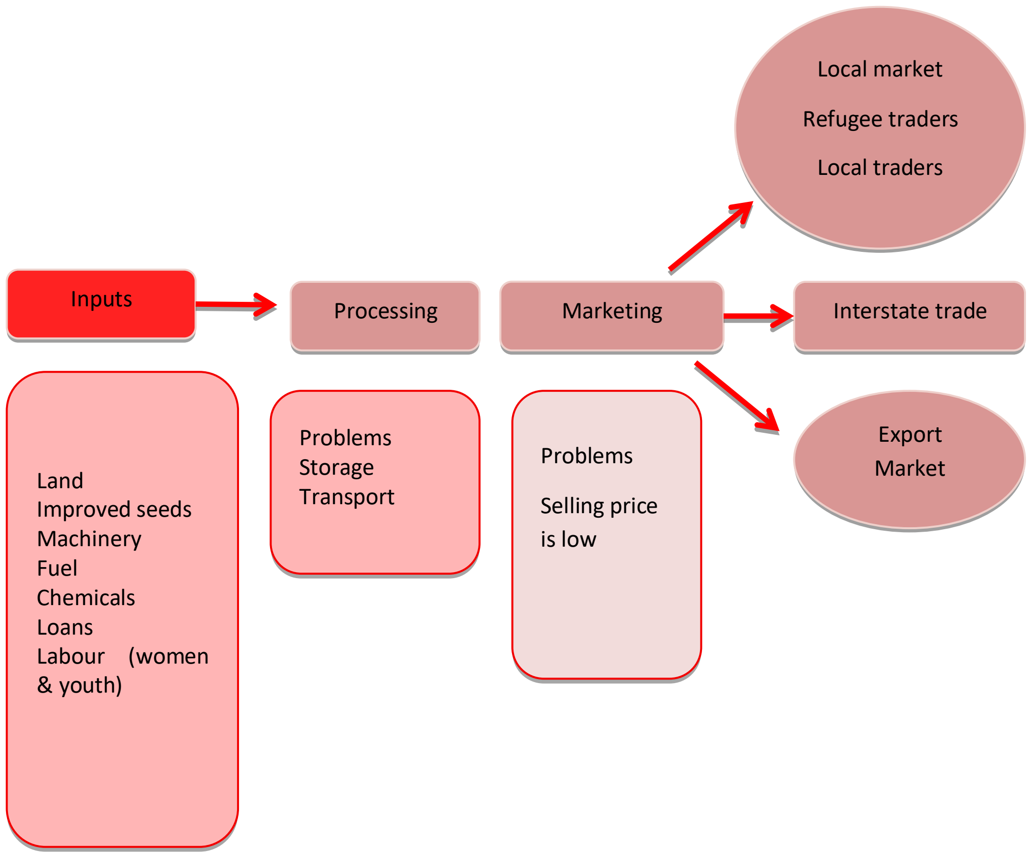
- Maize production, trading, processing;
- Groundnuts production, trading, processing;
- Agriculture: spirulina;
- Livestock- (processing and trading);
- Natural product: natron;
- Services: Electricity production and sale, building of traditional houses/storages.

Reference to horticultural production and fish processing is made, but their markets have not been considered as immediately profitable small businesses for they are characterised by many uncertainties related, respectively, to land distribution and restricted access to waters for security reasons.

Maize

Maize is the major food crop both in Bol and Baga Sola, and it is the main commodity traded in the markets of both host communities and displacement sites. Business opportunities exist for production trading and processing.

Graph: Simplified maize market map in Bol and Baga Sola.



Source: traders in the localities

Maize production was indicated as a profitable business in the chain steps of production, trading and processing, for the following reasons:

In Production:

The production cost per quintal and per hectare	Central African franc (FCFA) 452/q per irrigated crop x 800q/ha=FCFA 362,000 FCFA 433/q per traditional crop x 300q/ha= FCFA 129,900
The average yield	800 q (or 800 bags) per irrigated ha. 300 q (or 300 bags) per ha in traditional polder
The average selling price by farmers	FCFA 20,000 per bag
The average selling price by traders	FCFA 22.000 per bag
Gross income for farmers per hectare	FCFA 1,600,000 in irrigated polders FCFA 600,000 in traditional polders
The gross margin for farmers per hectare	FCFA 1,600,000 -362,000 = 1,238,000 in irrigated polders FCFA 600,000 -129,900 = 471,000 in traditional polders
Labourers are paid per bag carried.	FCFA 1,142/hour x 10 bags/hour x 8 hours = CFCA 91,360
Maize crop residue	Number of bunches of fodders per hectare and their price was not quantified
Maize production	Involves men and women

In Trading:

- Trading is considered highly profitable;
- Urban population are only consumers;
- The maize demand is high, the market for maize is large (in drought years, traders import maize from other states and sell the staple grain);
- In Bol and Baga Sola market between 100-200 maize bags are sold per day;
- On average traders buy at FCFA 20,000/ bag of 100Kg;
- Selling is at FCFA 22,000. / bag of 100Kg;
- The margin is FCFA 2,000/bag (=USD3.5);
- Average selling volume per big trader is at 10 bags maize per day making an average profit of FCFA 20,000 per day;
- In Bol and Baga Sola between 40 to 50 maize traders are active and they stated that room for more traders exist;
- Trading is a men-exclusive business.

In Processing:

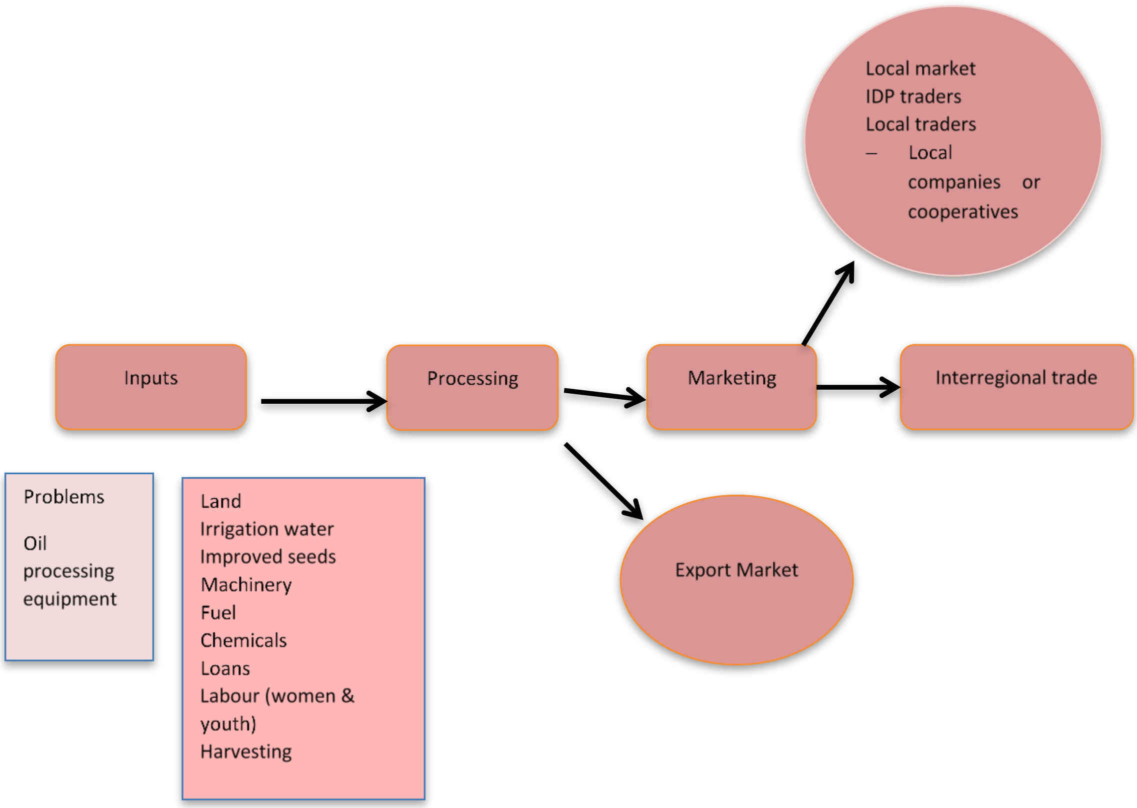
Maize grinding was indicated as highly profitable. Current situation in the assessed markets is that few traders offer the grinding service to the customers for a fee. Maize grinding mill business requires an investment in machinery (milling machine) that needs to be installed indoors. The machine can also be used for other products like millet, wheat, cassava and coffee beans. It requires a moderate investment in training and can be operated by men and women.

Groundnuts

According to the results of interviews held with key informants and agricultural experts, groundnut has potential to become a cash crop of major economic importance in Lac region. It caters for food security (bouille), people's livelihoods as well as a cash crop with an export market. Groundnuts were 68.80% or 620 289 tonnes of the country oleaginous production in 2013, followed by sesame and cowpea. Production has shown a clear upward trend for over a decade. Groundnuts are mostly grown in some of the central, eastern and entire Sudanian region of Chad. Groundnut is now considered, even in areas of high cotton production, as a cash crop and not a residual produce reserved for women and youth. At least 50% of groundnuts production is marketed and export volumes are between 10% and 15% of total production.

Most of groundnut produced from the Lac region is rain-fed and is cultivated on the dunes during the counter-season.

Graph: Simplified groundnut market map:



Source: interviews with traders, market authorities, consumers, vendors and displaced persons in Baga Sola and Bol

From interviews with key informants (business association in Baga Sola) and stakeholders, the following opportunities for business development were identified:

In production:

- Specialised support services throughout the value chain, from input supply (quality seeds and varieties selection), farming practices (on proper soil fertility planting and weeding, disease and pest management), collecting and processing are potentially profitable since the demand for them exceeds the availability of these services in the region;
- Mission Afrique data indicates that Chad is a net exporter of groundnuts and a net importer of groundnuts value chain products, particularly oil. The scope is to increase groundnut production mostly for the Lac local market;
- Chad produces 5% of the total production in Africa (more than 450, 000 Mt with a productivity of about 800 kg/per hectare;

- To improve yield per hectare are required: training and capacity building of farmers, producers and agricultural extension officers; use of short season varieties for Chad's dry conditions; land preparation methods; soil fertilisation (organic or conventional);
- Labour outsourcing (services cooperatives) is potentially profitable (legal requirements, seasonal demand);
- Women mainly grow groundnuts and men participate in the marketing of the crop for the household. Large-scale groundnut production is, however, done by men.

Groundnut production is labour-intensive during land preparation, weeding and harvesting. This necessitates hiring of seasonal labourers during the peak periods of production.

In trading:

- Construction and sharing of storage facilities for farmers:
    - The traders and the farmers do not agree on a pre-harvest price;
    - Farmers borrow money from traders at planting at lower price than the one at harvest;
    - Trader's destocking has produced a significant drop in prices in the local market (Peanut sells 800 CFAF / Koro[49]);
    - Storage facilities would allow farmers to store harvest and sell the crop for better prices at market favourable time;
    - The price of Andoria peanut oil also decreased to 850 FCFA / litre;
    - The price of cooking oil imported (from Nigeria) is always 1000 FCFA / litre.

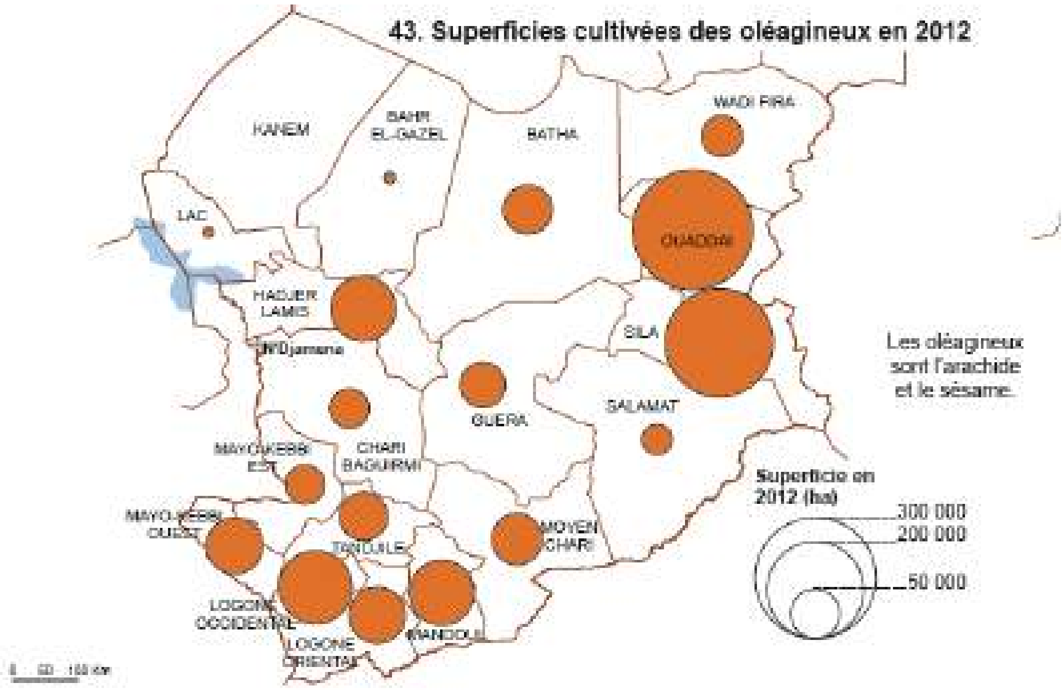
In processing:

- Extraction of oil and selling of by-products;
- Groundnut oil is the main product and large-scale oil processing is a major industry and source of incomes in other regions. Groundnut oil is a major voice of interstate trade;
- Most of the groundnut oil produced in Chad is consumed in the domestic market – within the groundnut producing and neighbouring states. Only the surplus oil is exported;
- The processing business has higher margin to increase profitability through technology and process efficiency of oil extraction;
- In January 2016, in N'Djamena's market, the price of Andoria peanut oil decreased to 850 FCFA / litre. The price of cooking oil was 1000 FCFA / litre[50];
- Kernels are used fried, roasted or boiled for the table (roasted groundnut is a popular snack in Chad);
- The cake from the groundnut oil extraction and the straw are used as fodder;
- The residue from nuts shelling before pressing is used in brick making.

SODELAC has identified 1095 hectares in Bol and 3058 hectares in Baga Sola that are ready to be made available for two-harvest cultivations, including traditional plots that have become isolated and not cultivated and possible extensions of irrigated polders. It indicates the cultivation of groundnuts among the leguminous products.

[49] Koro is a market measure of a small scale which weighs about 2,5 kg of cereals

[50] Bulletin Du Marche Arachide Au Tchad n°70 21 janvier 2016



Source: Atlas du Tchad 2013

The Lac region is part of the area of the country where groundnuts are already cultivated. It has the natural conditions, resources and market potential for increasing the production of groundnuts and its value chain products.

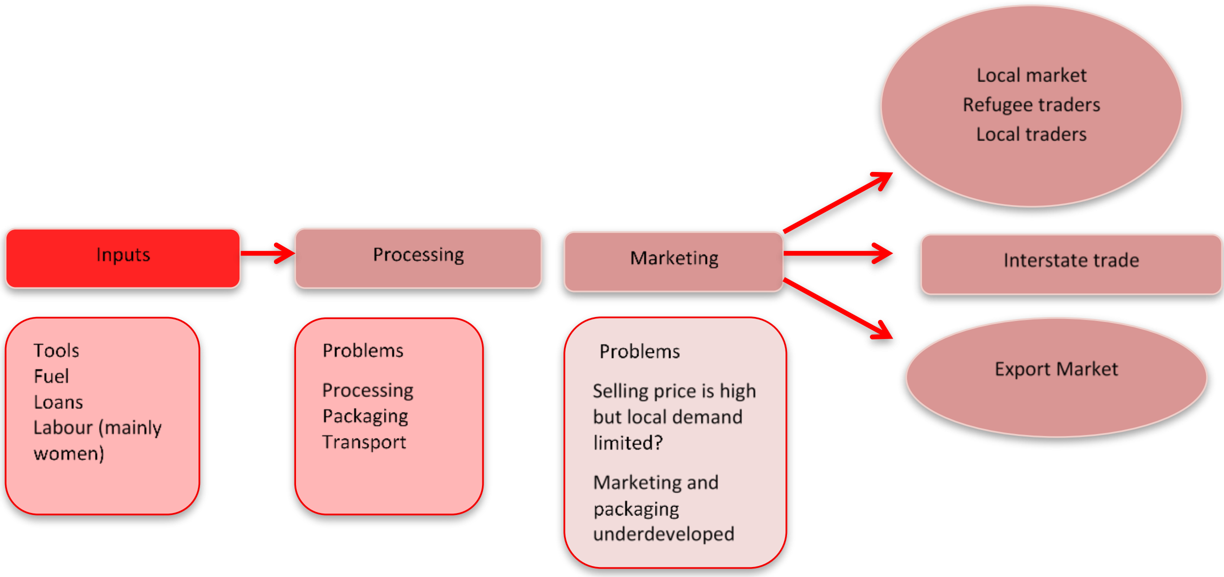
High-profit small businesses are extraction of oil and by-products and groundnuts peeling. Oil extraction requires a machine that extracts oil after the peeling process (nuts, sesame, and sunflower seeds), resulting in pure oil (85%) and waste products (15%), which are used for animal feed. The by-products can also be used to produce soap. The machine can form the basis of a business for a group of five people. It requires a room for installation, as well as short training.

Groundnut peeling requires a machine that separates the kernel from the skin; it can be used also for peeling beans, sesame and sunflower seeds. It runs on diesel, and is operated at the site of production. It can cope with 500 sacks of groundnuts per day. The waste skin from the process is used as animal feed. Short training is required for correct operation.

Spirulina

Based on interviews with several key informants, Spirulina (arthrospira platensis), also known as blue algae, is one of the most promising value chains in the Lac region. The reason is twofold: it grows naturally in the region, and it has worldwide market potential because it is an extremely rich source of protein, vitamins and iron, among others. It has been labelled as one of the new superfoods in the last decades.

Graph: Simplified Spirulina market map



Spirulina has been known as a food source for the Aztecs and other Mesoamericans, who were using it until the 16th century. Spirulina was found in abundance at Lake Texcoco (Mexico) by French researchers in the 1960s. Meanwhile, in 1940, the French phycologist Pierre Dangeard found a natural product called "dihé" (the local name for Spirulina), consumed by the Kanembu tribe on Lake Chad, Kanem (Chad). Dangeard studied the dihé samples and found that it is like a puree of spring form blue algae. Spirulina has also been traditionally harvested in Chad. It is dried into dihé, which is used to make broths for meals, and also sold in markets. The Spirulina is harvested from small lakes and ponds around Lake Chad.[51]

From 1970, the nutritional and extensive medicinal studies on Spirulina have been conducted. According to the FAO, the production of algae culture was greater than 68,000 tons in 2008, with major contributions from China and Chile. China started to produce spirulina through factories in 1990 and there were more than 80 factories by 1997. Spirulina is produced in at least 30 countries around the world. In Africa, it is produced in Benin, Burkina Faso, Chad, Côte d'Ivoire, Madagascar and Togo.

Spirulina does not need fertile land and has an advantage of having rapid growth within 20 days, takes less energy input and less water per kilo than soya, corn proteins and is environmental friendly as there is possibility of recycling water after harvesting and produce more oxygen than trees per acre by consuming carbon dioxide. Because of its large nutritional value, Spirulina was explored in the combat malnutrition, especially to combat all forms of Protein Energy Malnutrition (PEM) and Protein Energy Wasting (PEW). Spirulina is considered as the best source of protein in terms of gram protein per cultivatable land ratio but the major problem faced in developing countries is the acceptance level of this super food into daily recipes. Spirulina can also be used as an alternative feed for animals and aquaculture.[52]

[51] Siva Kiran RR, Madhu GM*, Satyanarayana SV. 2015. Spirulina in combating Protein Energy Malnutrition (PEM) and Protein Energy Wasting (PEW) - A review. J Nut Res (2015) 3(1): 62-79. http://www.jnutres.com/index.php/jnr/article/view/JNR315/pdf
[52] Siva Kiran et al. (2015)

Photo 24: Soap based on shea butter and spirulina, produced by women's group in Bol

Spirulina has been developed in Chad since 1988 at the initiative of the BIEP (Interministerial Bureau of Studies and Programing), in collaboration with the BECMA (Bureau of Studies and Culture of Microalgae), SODELAC and FAO. Spirulina grows rapidly in the salt marches of Lake Chad, especially in water sources that are rich in carbon sodium (natron).[53] Dihé is obtained by filtering and sun drying the algal biomass on the sandy shores of the lake. The semi-dried dihé is then cut into small squares and taken to the villages, where the drying is completed on mats in the sun. Dihé is mainly used to prepare *la souce*, a kind of fish or meat and vegetable broth. Part of the harvest is sold to local consumers or to wholesalers, who trade the product in the markets of Massakori, Massaguet and N'Djamena and also across the border of the country. According to a study in the year 2000, the local trading value of the dihé annually harvested from Lake Kossorom, which is part of Lake Chad (about 40 t), amounts to more than US$100,000, which represents an important contribution to the economy of the area.[54]

Between 2006 and 2010, SODELAC has carried out a women empowerment programme for improved production, processing and marketing of spirulina, supported by the EU and FAO.[55] As a result, round 650 women have organised themselves in 11 production groups. Due to improved harvesting and drying techniques, the quality and marketing of spirulina have been improved and has led to an increase in annual production. Before the project started, production was around 10-15 tonnes/year, but is expected to grow (no current estimates are available). The main zones of exploitation are Doumdoum, Serum, Branji and Kua (Departement de Waï).

The price for traditionally produced spirulina is 1000 F CFA/kg, while for improved spirulina the price is 10,000 F CFA/kg. Spirulina is not consumed widely in Chad and was not found in abundance at the local markets of Bol and Baga Sola. According to SODELAC, it is sometimes used to replace meat or fish because of its high protein content. However, local demand does not exceed local supply. At the market in N'Djamena, spirulina was found at a price of 1,500/koro.[56] Small amounts of spirulina are currently exported to China, Libya and the Middle East, but it is unknown in what quantities. Soap made of spirulina is exported to Cameroon and Senegal.[57] Recently, the French AFD has carried out a survey on spirulina production and marketing, but the results are not available yet.

The various steps in the production of spirulina can be described as follows:

1. Harvest of algae (exclusively by women producers and their daughters);

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[53] Ministere de l'Agriculture et de l'Irrigation, undated, la Spiruline : source alimentaire et de revenu.
[54] Abdulqader, G., Barsanti, L. & Tredici. 2000. Harvest of Arthrospira platensis from Lake Kossorom (Chad) and its household usage among the Kanembu, M.R. Journal of Applied Phycology (2000) 12: 493. http://link.springer.com/article/10.1023%2FA%3A1008177925799
[55] Interview with Mme Respo, SODELAC, July 2016
[56] Visit to Central Market, N'Djamena, July 2016
[57] Interview with Mme Respo, SODELAC, July 2016

2. Filtering of algae;
3. Exposing and drying of algae in large flakes;
4. Pounding the dried flakes into smaller flakes or into powder;
5. Packaging of flakes or powder;
6. Transport to Bol (70-120 km from the production zone), and onwards to other markets or to N'Djamena for export;
7. Wholesale trade (often done by sons and husbands of the women producers);
8. Export.

In addition to the pure spirulina, it is also used as an ingredient to soap, biscuits and as a condiment.

Recommendations on improving the value chain by SODELAC include the following:

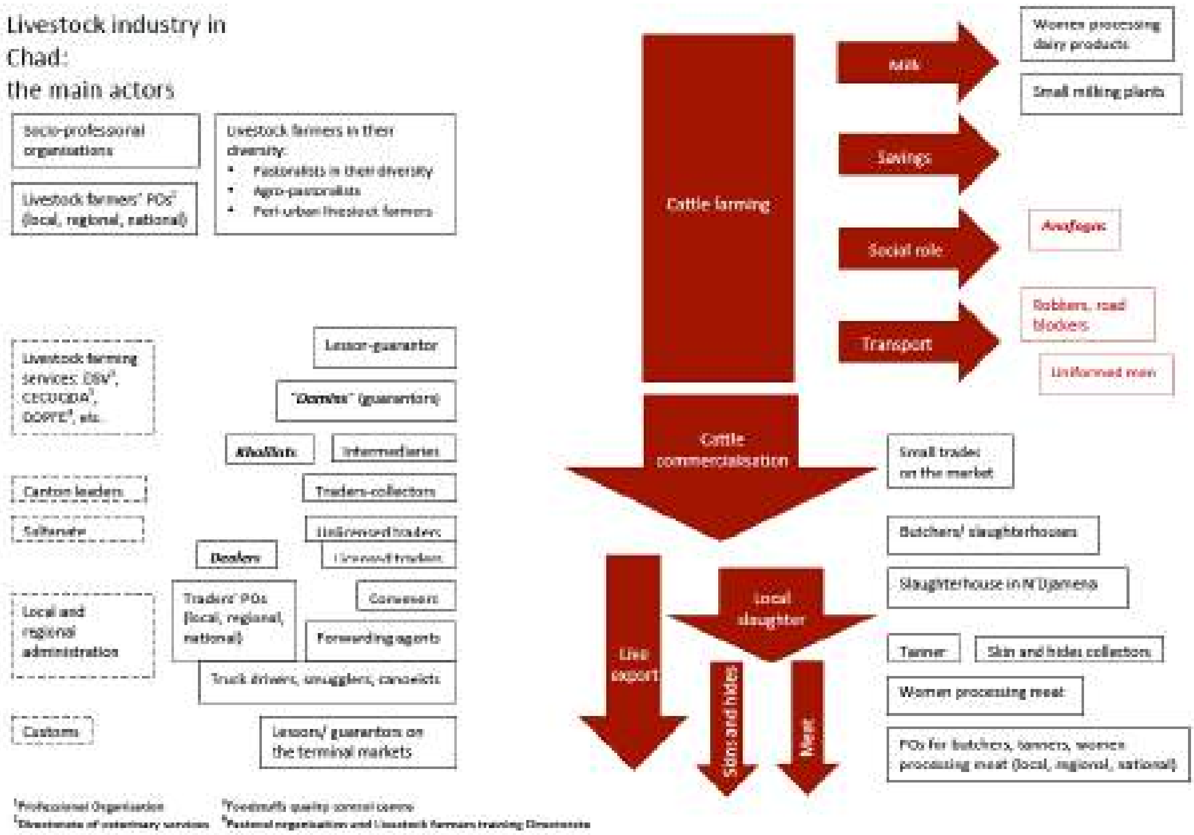
- Provide women groups with better equipment to improve productivity and quality;
- Develop the commercialisation of spirulina;
- Extend the women empowerment programme to other production zones.

Livestock

Livestock is the main sector in Lac region where, according to the National Livestock Development Plan[58], there are about 1,028,000 big ruminants (bovines). The total amount of livestock is estimated around 3.5 million, with a growth rate of 2.4% per year. The treatment, processing and packaging of products are still underdeveloped, the main reasons being irregular volume of certain animal products, high costs of equipment and energy, competition from imports, and finally, lack of credit facilities.

The livestock industry value chain can be visualised as follows:

[58] Plan National de Developpement de l'elevage (2009-2016), Op.cit.



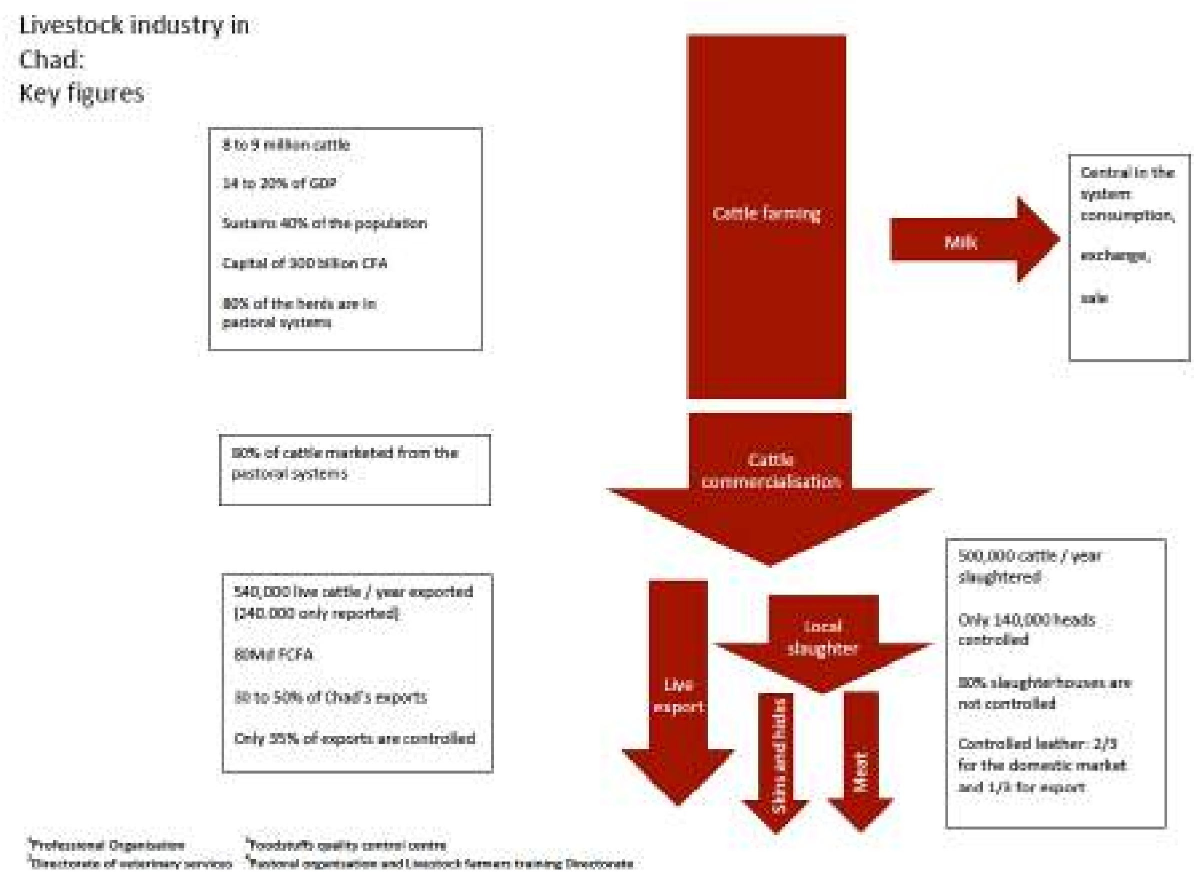
Source : PAFIB (Projet Appui à la Filière Bovine – PAFIB)

The main products of this value chain in the Lac region are fresh meat, dry meat, milk and dairy products and hides and skins. The key informants and the displaced persons indicated the production of dry meat as profitable and in demand for its nutritional value and because it is the only traditional form of meat preservation.

Fresh meat

The demand for fresh meat is high since the average consumption in the area is estimated between 11 and 22 KG per year[59], in addition to the open-air slaughterhouses in the two localities, there are butchers who do ensure daily supply to the markets but do not process and store fresh meat because refrigeration infrastructures do not exist and public electric power supply is absent. The processing facilities in refrigerated slaughterhouses and slaughter areas are in N'Djamena.

[59] Idem.



Source : PAFIB (Projet Appui à la Filière Bovine – PAFIB)

Milk and dairy products

According to the key informants, in the two localities local production of milk and dairy products does not satisfy the demand. Milk is processed in the form of fermented whole milk (R*ayeb*), milk skim fermented (R*ouaba*), and liquid butter (D*ihin Baggar*) and its collection, processing and marketing is primarily a woman's activity. Transformation of cheese and yogurt is done in N'Djamena, etc., using milk reconstituted from imported powder. Individual consumption of milk produced in Chad is 100 litres per year for farmers and their families, and 9 litres per year for city dwellers and farmers (PIPES, 2002). Beside this, it is noted that imports of milk powder and sterilised milk has increased. Still, the milk needs are only partially covered. The national average egg consumption is 9.1 kg / capita / year. It is respectively 9 and 10 kg // capita / year in villages and towns. The problem in the displacement sites is the conservation. The communities of cattle herders and shepherds consume milk in their daily diary. In the markets of Bol and Baga Sola there were no dairy product beyond fresh milk and liquid butter.

Hides and skins

In Chad[60], national authorities estimate that about 575,000 hides and 2,500,000 skins are produced every year. A cattle farmer would take 6 years to raise the best quality animal for the export market and sell it at 350.000 FCFA. A trader would take 3-4 months to buy the animal, collect and finish the skins and sell it 3000 km away in Nigeria at about FCFA 500,000. Prices vary according to; demand in Nigeria, local offers, and pre-financing by the collector. The collector supports exporting costs like preservation and storage; the LPS (laissez passer

[60] "Feasibility study to support the development of the hides and skins industry (tanneries) and infrastructure and slaughter facilities (abattoirs) in Chad", developed in April 2011 as part of PADIAT, said these amounts, in page 37

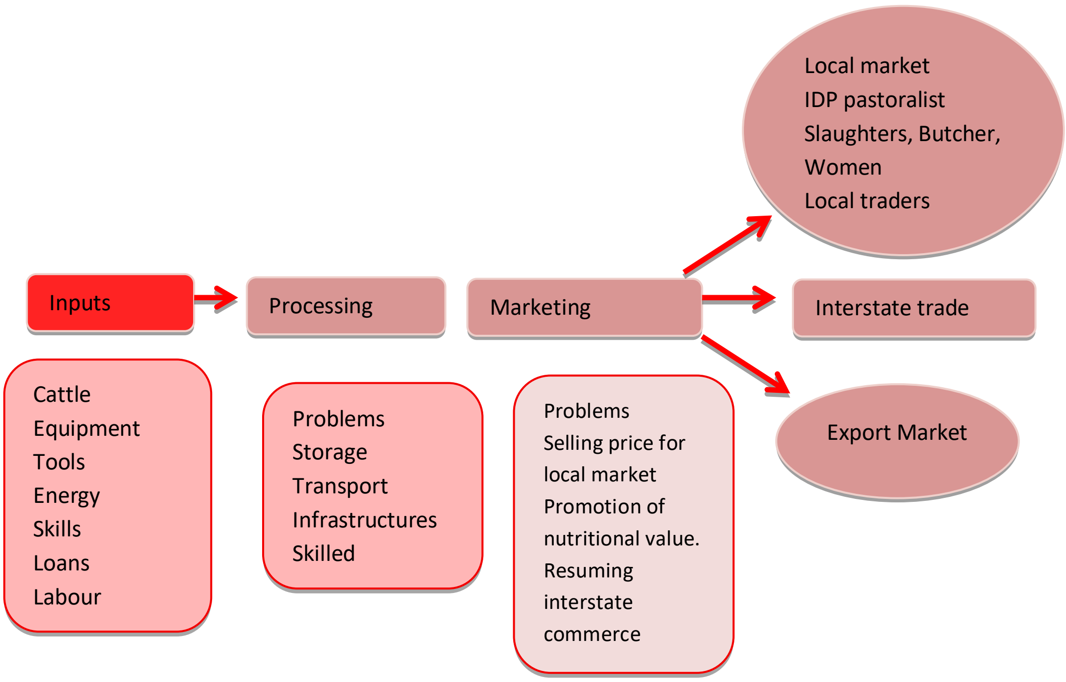
sanitaire); the transport costs to N'Djamena, the costs of freight. Collection network and processing of hides and skins involve the organisations of butchers, skins collectors, tanners and shoemakers and leather workers and allow the export of raw material to Nigeria, Sudan, Cameroon and also to Europe.

Tanneries

In Baga Sola the municipality manages an open-air slaughter and there are two small traditional tanneries. Hides and skins are paid on average from 3500 to 7000 FCFA for fresh hides and 400 FCFA to 1,250 FCFA for fresh skins. They are not processed here but are collected and sold in N'jiamena or directly in Nigeria for food and for leather processing and production. The hides and skins come from official slaughterhouses in Baga Sola and Bol, butchers, restaurateurs and meat barbeques and unofficial slaughters, including hooves and horns. Traditional conservation and tanning techniques, polluting and inefficient, hardly meet minimum quality standards. A leather industry (shoes and bags and leather clothing) is not developed in the region.

Dry meat

Graph: Simplified dry meat market map



The dry meat sub value chain is considered by key informants and experts interviewed in the course of the Socio-Economic Profiling (SEP) & Market Assessment (MA) in growing demand. Initiatives to promote its production and consumptions have been taken in Chad mostly with the support of FAO, a project to diminish the impact of cattle in the Lac region through destocking of excess cattle for the production of dry meat is under preparation by FAO. Scope and commercial space for production and sale of dry meat of "Charmot" type in the region exist.

In production:

- There are supernumerary cattle due to high livestock increase rate in the region, additional livestock belonging to displaced persons from the lake islands, and the closing of the Nigeria border;
- The average price of cattle of 200 kg decreased from about FCFA 200,000 to FCFA 120-140,000;
- Destocking of cattle during the dry season already started with the support of FAO at a maximum price of USD $190 per head of cattle (about FCFA 125,000);

- Legal and traditional authorities in market places are involved;
- Traditional slaughter houses or open air slaughters can be utilised;
- Transport and conveyance to slaughter places.

In processing:

- Staff of butchers and processing operators (FAO scheme of 10 people, 5 women and 5 men, 10 to 15 heads of cattle per week can be slaughtered and processed;
- Processing places (150,000 rent per month for a two-room place for cutting, boiling and drying with salt and citric acid) need to be established and equipped;
- Equipment (knives, drying installation, salt, sugar citric acid, packaging), hygiene kit (bleach, soap, brushes, small material) is to be procured;
- Butchers and processing staff need to be trained.

In trading:

- Warehouse for dry meat storage (maximum 1 year) need to be built;
- Packaging with plastic bags (dried meat packaging), packaging for storage (jute bags) needs to be developed.

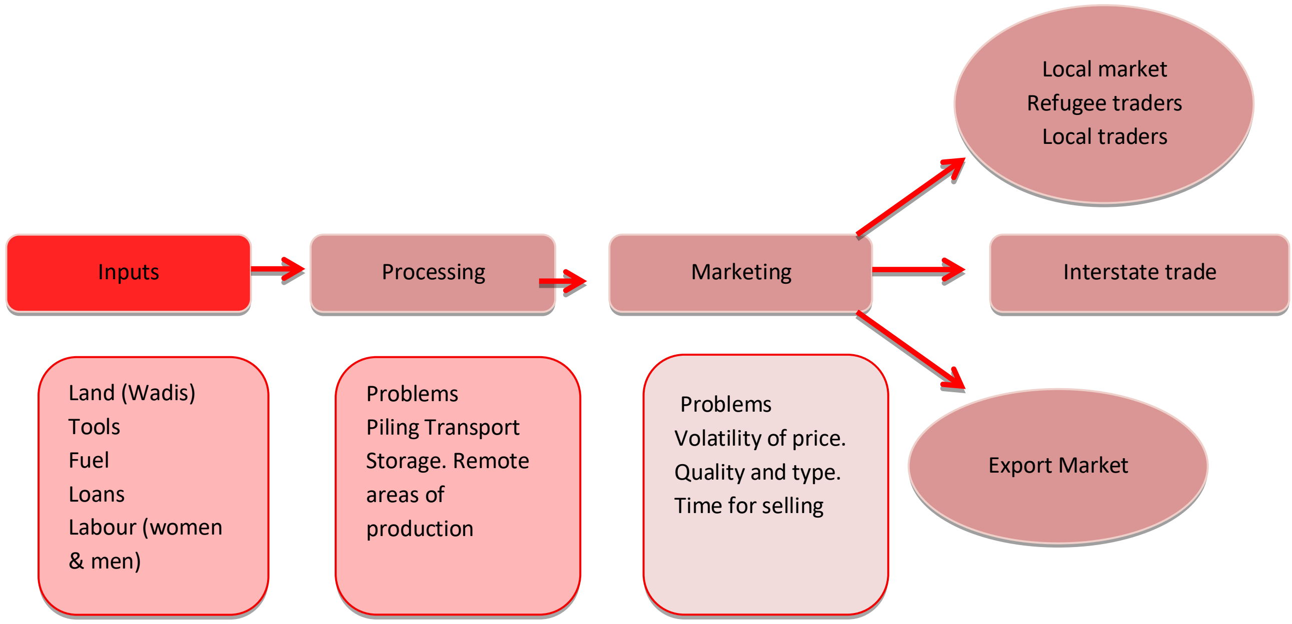
Natron

Natron (a mixture of sodium carbonate and sodium bicarbonate) is natural product of major economic importance in the location, at national level and for export. It caters for human consumption, medicine, animal food supplement, and products for personal care. It is an important product for people's livelihoods and export market. The Ministry of Economy estimates the actual production between 10 and 15,000 tonnes per year[61]. According to UNIDO[62], the share of exports mainly to Nigeria is continuously decreasing because the amount produced is not entirely exploited and processed.

[61] Ministry of Economy, Priority Action Plan 2016-2020. The 2nd Study on Trade integration in Chad (PAP / EDIC II)

[62] Under the Enhanced Integration Framework (EIF) multi-donor programme, UNIDO carried out a feasibility study based on a value chain development approach on three products – dates, Natron and sesame. The study is not in distribution but is quoted in the Priority Action Plan of the Ministry of Economy

Graph: Simplified natron value chain simplified map



Source: surveys and key informant (traders)

Natron was indicated as a profitable business in the chain steps of production, trading and processing, for the following reasons:

In production:

- Most of natron from the Lac region is produced in the wadis in the area between Baga Sola and Bol. Production varies from year to year. According to the traditional authorities and local businessmen interviewed, the total production is continuously increasing to more than three hundred thousand bags of powder and more than 500 thousand bags of other qualities;
- Natron is extracted by farmers, lifted from the wadi at the top of the dune and stored in heaps. About 80% of the extracted product remains stored at least a year in the wadi or top of the dune. The difficulty of transport is a major constraint;
- Small traders become owners on the heap dune through a complex system of vouchers paid for to the farmers. This advance is risky for small traders who do not always have the means to finance truck transport, hence they delay the sale of a product that they have pre-funded but that is perishable and aleatory depending on the extraction conditions. Small traders are the stabilisers of the local economy for they regularly inject fresh money and ensure the supply of materials and goods to the extractors and the necessary competition to the market;
- Wholesale traders in in N'Djamena and Maiduguri through their representatives on site, manage the bulk of the market.

In trading:

- Trading in local areas is considered highly profitable;
- The trading at national/international level is slow: it takes time to sell natron purchased at the edge of the wadis, find a client and a carrier. The crust sells easily, but the powder can lag behind for several months and mud can take several years before being sold. For the most remote wadis (away from the main roads) it is even harder to ship their production;

- Once arrived in N'Djamena, about 70% of the price of Natron is made by transport, largely because of the road conditions, the product cost is about 20% and the remainder are taxes for the state, the city of N'Djamena and 1% for traditional authorities who reserve also access to a portion of the resource;
- According to traders in N'Djamena, about 40% is sold in Chad, 30% in Nigeria, 20% in Cameroon and 10% in CAR, whilst the direct channel through the lake between Baga Sola and Nigeria is now almost closed;
- Urban population are the only consumers;
- The demand is high, the market for natron is multi-purpose product;
- Trading is a men-exclusive business.

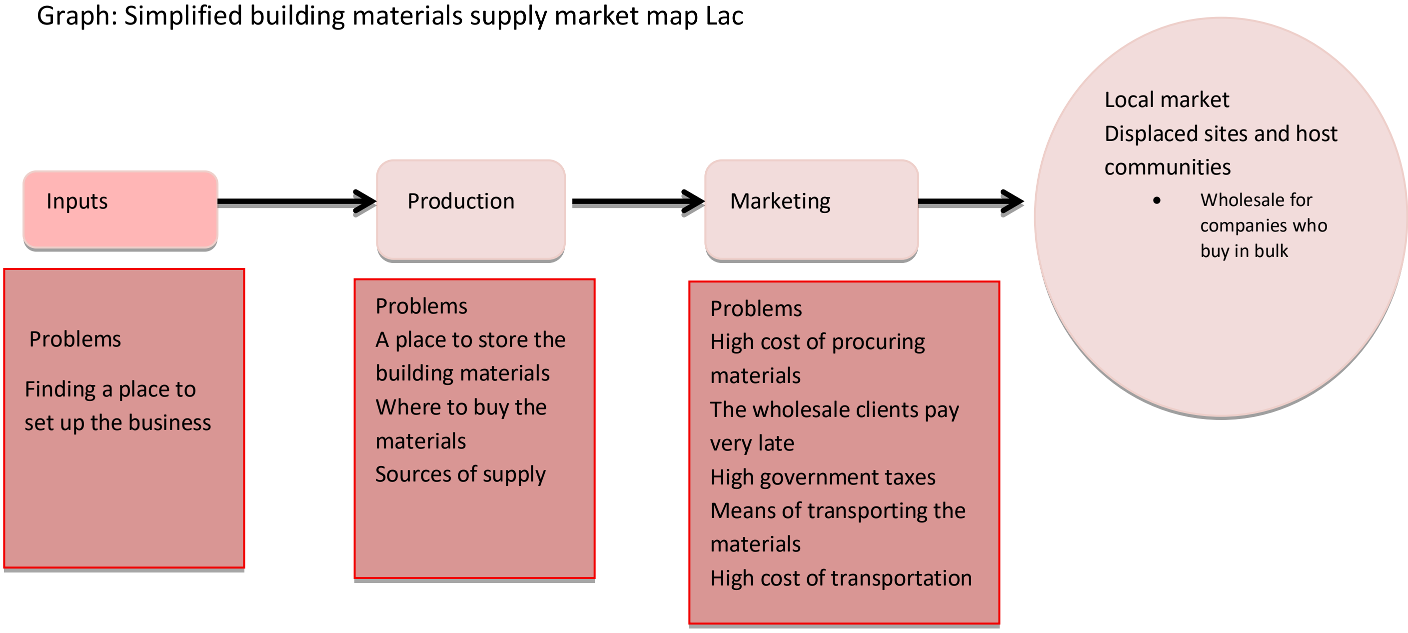
In processing:

- Natron occurs in two forms: white and black;
- There are several forms or grades (hard (white) natron, which crystallizes on the surface (white natron) and the one in the underlying mud (black soda, dense, the most wanted but rare);
- Used in cooking, often preferred to table salt, and as a medicine due to its good qualities;
- Then there's the mud, wet harvested and dried blocks, which sells in Nigeria for the industry;
- The thin crust and the powder, harvested in the dry surface of the wadis which contain a good proportion of clay, is intended for livestock.

Building and construction

Key informants and displaced persons in both localities indicated building and construction among the top commodities/services in demand and areas for potential business development. One activity concerns the wholesale trade and the retail of building material. Investment in the sale of products for modern construction industry is considered very high, especially for the great variety in the types of products, from raw materials to tools and machinery.

Graph: Simplified building materials supply market map Lac

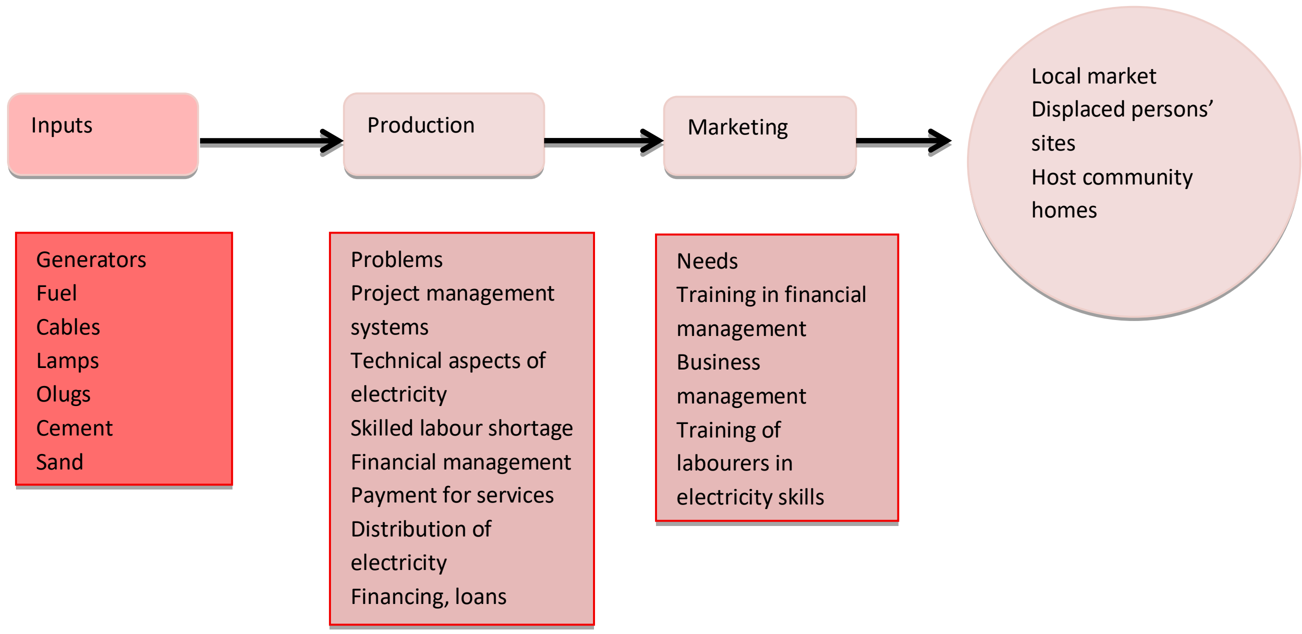


Key informants in both localities indicated building and construction among the top commodities/services in demand and areas for potential business development. One activity concerns the wholesale trade and the retail of building materials. Investment in the sale of products for modern construction industry is considered very high, especially for the great variety in the types of products, from raw materials to tools and machinery. The start-up and development of micro-construction companies operating in the sector of traditional buildings for home, micro-production and storage appears to be more feasible based on the analysis of the target population conducted in the market assessment. The construction of an average *paillotte* to be used as house or room for storage or kitchen services is considered a high-profit business. An example of high-profit small enterprise is building of straw houses in displacement sites and host villages.

Electricity production and sale

Key informants in both localities indicated electricity production among the top services in demand and with potential for high-profit business development. The activity consists of producing electricity through a stand-by generator (fuel operated) that can service up to 500 appliances. The minimum service package includes the provision of energy for three appliances per household per six hours (in the evening). Wiring from houses to the generator is the responsibility of the buyers. A gross margin overview is provided in chapter 5.4.

Graph: Simplified electricity supply market map Baga Sola.



The potential is increased by the demand of connection to Internet as displaced persons have mobile devices like smartphones and tablets. Internet points can be established as part of service cooperatives in each displacement site.

The horticulture potential opportunity

Interviews with key informants in the markets of both host communities and displaced persons indicated that there was a significant unmet demand for vegetables in the markets. The informants indicated that many vegetables sold in their markets were 'imported' from the N'Djamena. In the two localities, horticulture production cannot ensure the quantity and quality of regular supply requested by the local markets and vendors' capacity to supply local demand depends on the capital city.

Société de Dévéloppement du Lac Tchad (SODELAC) and other key informants indicated that horticultural production would be an interesting prospect since thousands of hectares of flood irrigated agricultural lands are expected to be reclaimed and horticultural products as onions, garlic, tomatoes, cucumber, green pepper, pigeon peas, and ochre can be produced.

Once new polders on the riparian zones are made available:

- Horticultural production (fruit and vegetables) can satisfy local markets in the localities, in neighbouring regions and countries;
- Processing enterprises like factories that produce packaged juice can be developed;
- Micro enterprises and cooperatives at displacement sites for processing fruit pulp for juice production can be established;
- Retail activities in the new infrastructures in Bol (markets, storage and distribution) will increase;
- The impact on employment creation (self and waged employment) on host community and displaced persons is expected to be increase.

Considering the situation in the areas of displacement sites and host communities, in addition to the production and sale of fresh fruit and vegetables in local markets, the extraction of fruit pulp that requires a small fuel-operated pulp machine could be a potential high-profit business.

The necessary precondition for the IOM project to consider youth employment creation through the development of the horticultural production as profitable market in the region is the distribution of irrigated land by the concerned authorities and along the SODELAC scheme.

The dry/smoked /fresh fish potential opportunity

The key informants and the interviewed displaced persons described a situation whereby fishery is practiced on artisanal basis and is confronted with many challenges and constraints like the organisation of the sector as such, the vulnerability of the fishermen, the lack of technical and financial support and the promotion of the products.

At the same time, they consider fishery as a concrete opportunity for the displaced persons. In the displacement site of Tagal, displaced people practice fishing as labourers for the local community fishermen, for they have lost their equipment and boats when they were forced to leave the islands. They are now engaged in both fish drying and fish smoking. The dried fish is sold at 7000 FCFA per bag while smoked fish is sold at varying prizes by bunch, and fresh fish is sold in the market of Baga Sola. Traders supplying the market of N'Djamena collect the whole fish production of Tagal.

Displaced persons and formerly engaged in fishery and key informants indicated that making the activity profitable would immediately require:

- Training in fishing practices including wise use of pesticides as they currently handle them without precaution for fish conservation;
- Investments in kilns and solar dryers, new fish smoking units, fish stock conservation, storage and processing and cold rooms for increasing the share of marketed fresh fish (added value of fishing production) and limit post-capture losses;
- Support for establishment and strengthening of fishermen organisations and training for their management.

Until structural preconditions like access to lake and secure waterways and proximity to the lake of the displacement sites are satisfied, fishing remains a potential opportunity for which immediate support on technical, entrepreneurial skills, small fishing equipment and credit for start-up of individual or small groups sustainable enterprises, like cooperatives, would not have an immediate impact.

5.3 SCORE RANKING OF OPPORTUNITIES AND PRELIMINARY INDICATIONS FOR FEASIBILITY OF BUSINESS OPPORTUNITIES

The business opportunities are ranked utilising simple scoring criteria of low, medium and high profitability that has been established on the basis of the gross profit margin (obtained by subtracting the cost of sales from net sales/revenues). Data to compile the ranking was obtained from interviews with key informants, business operators, direct knowledge and experience of the team members and direct observation in the course of the SEP & MA in displacement sites and host communities.

The businesses are considered as joint endeavours between displaced persons and host communities, in line with the Transitional Solutions Initiative (TSI) overall approach. Differences in profitability between Bol and Baga Sola are indicative since they have been derived from qualitative assessment and informal discussions.

Six discrete business summaries and six business feasibility overviews are provided. They contain preliminary indications concerning a non-exhaustive sample of opportunities. More research and in-depth analysis is required to assess their concrete viability and profitability through specific feasibility studies and business plans that TSI might consider for support.

In the course of the assessment, it was not possible to establish the number or the specific percentage of people that could be absorbed in the proposed new businesses, as this requires detailed product/sector specific feasibility studies, which were not in the scope of this study.

Also, the absorption capacity of the local economy in terms of the number of specific businesses that could be viable further depends on possible investment made in the sub-sectors. For example, introducing appropriate technologies and value chain development-type of interventions would increase the number of people that could be absorbed in a specific sub-sector.

Despite these limitations, we have tried to provide a rough estimate of the number of people that could be provided with employment under each business opportunity proposed. The numbers are given under each business case.

Table: Strength, weakness, opportunities, threats (SWOT) analysis of business opportunities.
Legend: a= high-profit, b = medium, c=low

Business opportunity	Bol	Baga Sola	SWOT analysis
Maize grinding	A	A	**S:** Main food crop **W:** Unpredictable yields in rain fed areas **O:** Further income from fodder. Storage for marketing management **T**: Decreasing land productivity
Groundnuts production	B	B	**S:** Top cash crop **W**: Sale at harvest pick less profitable **O:** Storage facilities **T:** Decreasing land productivity
Groundnuts paste Production	A	A	**S:** Top cash crop **W:** Market and Storage infrastructure **O:** Room for more traders existing **T**: Import from neighbouring countries by wholesale traders
Groundnuts oil extraction	B	B	**S:** high demand **W:** Credit for Investment

Business opportunity	Bol	Baga Sola	SWOT analysis
			O: Technology easy to operate **T:** Transport and **r**egular supply of raw material
Groundnuts peeling	C	C	**S:** Medium demand **W:** Credit for Investment **O:** Multiple market of products **T:** Regular supply of a typically seasonal raw material
Dry meat production	B	B	**S:** High internal and export demand W: Skilled butchers and processors. Processing places **O:** Low prices of cattle, easy **to c**onserve, popular product and high nutritional value. **T:** Storage and transport
Cows skins and hides (Tanning)	B	C	**S:** Demand of local and national market high **W:** Producers' low carefulness of raw material (leathers). Equipment and lack of skilled manpower **O:** Developing local leather and footwear production **T:** Traditional tanneries in Lac region only
Dairy milk production	C	C	**S:** High demand in local markets **W:** Know how, infrastructures, distribution network **O:** Cow productivity improved through genetic improvement and destocking **T: C**onsumer attitudes on prices and quality. Unreliable milk production. No refrigeration.
Building and construction traditional housing	B	B	**S: H**igh demand for private and productive buildings **W: K**now-how and manpower available in households **O: Semi-skilled l**abour and raw material availability **T:** increasing prices of wood for construction
Electricity production and sale	A	B	**S:** Demand in displacement sites and locality high and growing **W:** Wiring to production units left to final consumers **O: E**asily adaptable to growing demand **T**: Growing competition by organisations' large power units selling to private.
Horticulture and fruit production	B	B	**S:** High demand in local markets **W:** No regular production in Lac region, local transport, storage and distribution facilities **O:** New production conditions in both localities for new polders in Lac region **T**: Farmer know-how, scarce training services, medium term ROE from fruit production
Horticulture. Pulp extraction	C	B	**S:** High demand of final product **W:** No large final product industries (juice production) **O:** Technology affordable and high margins **T:** New polders not assigned Individual farmers from displaced and host communities reluctant to invest in horticulture. Lack of micro credit opportunities
Spirulina production and selling	C	B	**S:** Increasing demand **W:** regular supply, quantity and quality **O:** Shortage of established local companies and individual professionals **T:** Cost of private services not affordable by small farmers
Natron production and selling	B	A	**S:** Increasing national demand **W:** Extraction quantity and quality **O:** Human and animal consumption and soap and medicament processing **T:** transport and storage, packaging for final sale

On the basis of the MA and data/information collected through key informants and direct observation, an initial profitability assessment of business on: dry meat production, tanning, groundnuts and maize product processing, natron production, spirulina traditional building construction, electricity production and sale.

5.4 ABSORPTION CAPACITY OF PEOPLE POTENTIALLY BENEFITING FROM PROMINENT BUSINESS OPPORTUNITIES

Absorption capacity varies across the different sectors of the economy. It is affected by the extent of activity within each sector as well as the external environment. Sectors with particularly high levels of activity across the two localities in the Lac region are agriculture, livestock, fishery, mining, trade, and other services. Key informants all assessed the absorption capacity of the local markets in the localities covered by the socio-economic profiling and the market assessment as representative for the level of activities in the agricultural, livestock, small manufacturing (industry) and small retail.

The ONAPE, as a national public employment service in Chad, is not yet present in the Lac region hence the Directorate of Labour (as a branch of the Ministry of Labour) of the Lac does not have a Labour Market Information and Analysis system (LMIAS) that can allow a regular collection and dissemination of data and information about employment opportunities and labour market dynamics. Regular reporting based on the ILO Key Indicators of Labour Market (KILM) is not available for Lac.

An estimate of potential for waged, self- and own-employment is not provided as uncertainty about actual number of persons (host, displaced, refugees and returnees) prevails. General perceptions, few indications about local labour markets and their absorption capacity were therefore collected from key informants like local government’s representatives (prefect, municipalities), traditional authorities (local chiefs), the regional development agency (SODELAC), extension services of relevant line ministries (Regional Directorate of the Ministry of Education) and the embryonic employer’s organisations (Chamber of Commerce, Businessmen Association). In particular:

- Agricultural and pastoralist and fishery sectors together occupy more than 80% of the working-age population. Agriculture sector is currently experiencing a surplus of labour as the consequence of the displacement form riparian areas and the Lake Islands, but labour absorption in this sector is expected to increase as a result of the availability of new polders and dune land by SODELAC;
- Animal husbandry and livestock trade has also a large absorption capacity potential in jobs such as: market operators, transporters and trekking herders, workers in feedlots, slaughters and processing plants of meat and hides, operators for water, fodder/crop residues;
- A scarcity of agricultural machinery, tractor- and truck- operators (skilled workers) is indicated and in this respect, displaced youth could be an asset to agriculture and animal production and services, if distribution of new land for farming takes place, access to vocational training is increased and credit is increased;
- Micro to small industries mainly around the food production, processing and conservation, for which modest capital is needed to start up, are considered as profitable and capable of creating employment particularly in connection with the new market facilities in Bol and the increased availability of equipment for food processing (e.g. production of juice, milk production, sweets);
- Building and construction sector is expected to absorb high numbers of workers in both localities and is accredited with huge potential for massive employment, especially if the construction of road infrastructures along the axis Massakory-Ngouri-Bol-Baga Sola-Niger border and socio-economic

infrastructures (modern market facilities in Baga Sola, hospitals and schools, municipal water tanks and pipes, electric power) would eventually start;

- Handicraft manufacturing related to the main raw material (straws, leather) is a labour intensive sector and the products are in demand for local markets as well as for the capital city and the neighbouring countries;
- The rich and varied cultures of the different ethnic groups inhabiting the two localities provide potential for tourism development and the employment requirement for the related jobs, particularly after peace and security have been reinstalled;
- Job placement opportunities in the public sector for displaced persons have so far been limited although local governments and public institutions in the assessed localities, have confirmed that they cope with lack of staff to carry out their annual plans.

The proposed business opportunities are expected to create demand for jobs and boost employment for displaced and host communities in the two localities. It is also expected that sustainable micro and small enterprises / cooperatives can be supported in offsetting labour and technology in:

- Food production;
- Agriculture, animal resources and dairy production;
- Fishery;
- Tanneries to further capitalise on animal resources;
- Horticultural production (fruit suitable for juice, vegetables);
- Oil extraction and canning;
- Dry meat production and selling;
- Spirulina production and processing;
- Building materials and metal;
- Natron products.

Finally, key informants indicated that in displacement sites and host communities there is scope to boost local economies through labour-based small infrastructure and /or environmental related projects for which the establishment of service cooperative would be a viable organizational solution.

Table 50: Potential beneficiaries' figures for displaced persons[63]:

Prefecture	Displacement site	Youth (18-45 year)	Female	Male
Baga Sola	Site Dar es Salam (refugee site)	419	270	149
	Site Dar Nahim 1 & 2	861	605	256
	Site Dar Nahim 3	135	85	50
	Site Dar Nahim 4	193	128	65
	Site Foukoulom	1070	710	360
	Site Kafia	1136	786	350
	Site Koulkime	440	337	103
	Site Koulkime 2	146	101	45
	Site Koulkime 3	154	110	44
	Site Kousserie 1	828	612	216
	Site kousserie 2	503	351	152
	Site Tagal	157	81	76

[63] IOM data for the SEP & OM June 2016.

	Site Transit Sodelac	14	10	4

Bol	Site Kaya	746	479	267
	Site Koudouboul	150	95	55
	Site Mar	543	391	152
	Site Melia Kalidar 1	543	100	60
	Site Melia Kalidar 2	236	154	82
	Site Yakoua	362	232	130

6. CONCLUSIONS

6.1 CONCLUSIONS ON SOCIO-ECONOMIC PROFILING OF DISPLACED PERSONS

Two hundred (200) displaced youth in 16 displacement sites, of an age ranging from 18 to 45 (which is the age group considered as youth in the local context), were selected as a significant sample for socio-economic profiling and they openly expressed their different visions, expectations, priorities, attitudes and ideas about their future life. The following conclusions can be drawn:

- Before the displacement, they were mostly farmers, fishermen and traders, and to a lesser extent, pastoralist, craftsmen and small vendors. Now as displaced persons, beside a large portion of unemployed and underemployed (24% in Baga Sola and 22% in Bol), they became mostly engaged in handicraft and as small vendors. Their earnings range from 10 to 75,000 FCFA per month and men reach a higher level of income than women, which is related to the different type and added value of the economic activities predominantly undertaken by men and women. Clearly, these residual activities cannot offset the sharp decrease of farming, livestock and trading;
- They have undergone different levels of difficulties including the loss of family members, in addition to loss of the assets, properties and places to live in. They strive for better lives, prospects and opportunities for their families, effective social and economic integration in decent productive life and the entitlements like any other citizen in Chad. In more concrete terms they claim to access to water, pastures, irrigated land, markets, as means to secure higher income and access to food and to more and better social and economic services;
- The main obstacles they face in achieving their objectives are insecurity, tensions with communities, difficulty in overcoming administrative burdens and customary practices managed by traditional authorities, particularly in relation to the access to education and lands, lack of infrastructures, services and financial resources. They aspire to settle down (housing and social and economic services), and work but they lack all the means of production (land, fishing equipment, livestock, processing and manufacturing technology and technical knowledge). The majority of interviewed youth wishes to return to their islands as soon as security conditions permit;
- They generate income through production, processing and selling of food, fuel wood, handicraft, small trading, and temporary waged employment and, to a much a lesser extent, through small-scale livestock and fishing. In general, displaced youth, men and women can safely access economic opportunities and have not been prevented from obtaining available jobs in the region.
- They demand services for health, education and training, shelter, transport, and water. So far, they could not get electricity, motor water pumps, small production and business infrastructure like smoking fish units or market stalls. The main goods they cannot afford are food items like meat, clothing, treatments, farming tools and fishing equipment, agricultural inputs, and technology/equipment for cultivation and irrigation and stand-by generators. The youngest of the interviewed indicate, as priority needs, ICT, one computer with Internet connection in each displacement site and portable devices;
- They consider the environment for developing their business opportunity as not hostile even if not fully enabling. They could do small trading, work as daily labourers and circulate in the area without any particular obstacle, with the exception of the small-scale female vendors from Buduma group in Baga Sola. To date, they cannot access to any technical and entrepreneurial skills development programme but the youngest men and women among the interviewed, are eager to attend training including apprenticeship (if available) without any restriction of access for women;

- Different from other contexts, informal apprenticeships are not an option, since it is practiced on small-scale in the region, and apprentices that do exist come from the extended families of craftsmen and small informal entrepreneurs;
- They repeatedly asked for diversifying individual and group/community-based working opportunities for women, who are mostly confined to work in handicraft, small trade of essentials purchased on credit from wholesale traders and food items production and selling, Women are more retailers than wholesalers and in their enterprises are less likely to have employees than men and face more difficult access to credit. Women face no difference in relation to rights of inheritance and property;
- They consider their communities as very inclusive of persons with disabilities (PWDs), for usually families and the community as a whole take care of disabled members and, wherever residual functional capacity permits, they are offered suitable job opportunities. No specific service for PWDs is available in the displacement sites;
- They are very clear about the negative impact that utilities, health and basic education services, as well as Business Development Services, absent or intermittently delivered, have on their chances of settlement and development. They insist that commitments to make micro-credit, technical training and entrepreneurial skills, maintenance services, mechanics or electricity and, in general, technology related to agriculture and processing, are not materialising at the promised pace;
- For the majority of displaced youth, return to villages of origin is a medium term objective rather than an immediate priority, because of persistent insecurity. Other conditions for return is the availability of basic utilities, extension and veterinary services for livestock, tools and equipment for fishing, fish processing and agriculture;
- Conversely, displaced persons coming from territories different than the lake islands do not wish to return and are ready to invest in the place of settlement if conditions for economic activities are provided. Anecdotal evidence of young men commuting to islands to take care of cattle despite security risks and enforcement of closure of the islands was confirmed in the course of the interviews.

The displaced youth and their leaders in the displacement sites present themselves as a resource and an opportunity for the development of the region if their potential is unleashed by access to services and resources.

6.2 CONCLUSIONS ON LOCAL MARKET DYNAMICS IN BAGA SOLA AND BOL

The social reintegration of displaced youth can take place only within the host communities, as much as they can integrate in the local markets. As a second step after the profiling, a major component of the field survey was devoted to local market dynamics, by interviewing consumers (displaced youth as well as host communities) as well as market actors (large traders, small vendors and small service providers). The following conclusions can be drawn:

- Up until the current security crisis, Bol was the most important agricultural market in Lake Chad basin. The Lake Chad region has vast fishing and agriculture areas with abundant availability of freshwater from the lake for irrigation, allowing for production of agricultural crops, both subsistence and cash crops. Also, the potential for livestock and fisheries is huge;
- There are around 200,000 registered farmers on the main land in the Lake Chad region. Between 120 000-140 000 hectares of polders and wadis are available. No estimates are available for the number of fishermen in the Bol and Baga Sola region;

- Because of its strategic location on the border of Nigeria, Niger and Cameroon and well-established waterways to these countries over the lake, Bol used to be a hub for trans-border trade between Chad and these 3 countries;
- However, as a result of the Boko Haram crisis, the economic situation has severely deteriorated and agricultural production has almost come to a standstill. This is due to the fact that the displaced persons, who used to be herders, fishermen or farmers, or a combination of these three, have abandoned their agricultural land and are now dependent on food aid. In addition, the trade routes from Chad to Nigeria, Niger and Cameroon over the Lake Chad have been cut off, which has led to a huge rise in transport costs and time needed;
- A consumer survey was carried out among the displaced youth in Baga Sola and Bol. In addition, consumers from the host communities were interviewed, as well as in urban areas;
- For displaced youth in the Baga Sola region, the major markets for obtaining goods on a daily basis are Baga Sola (68%), Ngeleua (14%) and Fourkoulom (8%). For displaced youth from Bol region, major markets are Melia Centre (60%) and Bol (40%);
- In Baga Sola, sugar, maize, rice, cooking oil and okra are the five most consumed products of displaced persons on a daily basis. For host communities, these are sugar, cooking oil, maize, salt and rice;
- In Bol, the five most consumed products of displaced persons on a daily basis are cooking oil, maize, salt, okra and sugar. For host communities, these are sugar, cooking oil, salt, okra and rice;
- When the data of displaced persons for both locations is aggregated, overall, the ten most consumed products on a daily basis are (in order of importance):[64]

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- When aggregating the data of host communities for both locations, the twelve most consumed products on a daily basis are (in order of importance):[65]

[64] Calculated by aggregating the total number of times a certain product is mentioned for Baga Sola and Bol. Products are ranked in order of importance, and only products that are mentioned by at least one third of the total sample size are included.
[65] Same remark as above

- Many of these products are currently imported, even though they could be produced locally as well. As shown in Chapter 2 of this report, some of the most consumed products in the Lake Chad region are also among the most imported goods in Chad: flour (of both wheat and maize), maize, cooking oil and sugar. However, given the agricultural potential, this situation could be turned around, with the Lake Chad region becoming a net exporter of locally produced agricultural goods, both for the urban areas in Chad, as well as for export to neighbouring countries;
- In Baga Sola region, the five most important goods for displaced persons obtained on a monthly basis are maize, cooking oil, salt, sugar and clothes. The most consumed goods by host communities are maize, clothes, rice, shoes and cooking oil;
- The top five products that displaced persons are less satisfied about are sugar, rice, clothes, maize and cooking oil, which are partly also the main goods consumed. The main reason for the dissatisfaction is the fact that these goods are too expensive. Some respondents stated that there is a lack of supply or that the quality of inferior;
- The top five products for which demand exceeds supply in the market are maize, sugar, rice, cooking oil and clothes. Meat is also mentioned as one of the products for which demand often exceeds supply;
- In Bol region, the five most important goods for displaced persons obtained on a monthly basis are clothes, blankets, cooking pots, shoes and buckets. The most consumed goods by host communities are clothes, blankets, mats, buckets and shoes;
- Displaced youth were also asked for their views on the functioning of the market. Some of the most common remarks made are:
    - Most people report that prices have increased and that as a result they cannot afford to buy all the goods they need. Before the attacks by Boko Haram, the prices were affordable;
    - Basically, the market is functioning well, and all goods are available;
    - People are not satisfied of the way the authorities control the functioning of the market;
    - It appears that in Bol market prices are relatively lower compared to Baga Sola because it is a bigger market and more centrally located.
- Displaced youth were also asked to provide recommendations to improve the market. Some of the most common recommendations were:

- o There is a need for peace to return to facilitate commercial trade. It is crucial to reopen the border with Nigeria, so transport cost can be reduced;
  - o Build new roads to facilitate commercial trade;
  - o Reduce the prices of already expensive products;
  - o Need to revise the customs regulations as the government is taxing them too heavily;
  - o There should be more vegetables and fish at more affordable prices;
  - o Provide women selling fish with equipment;
  - o Commercialise on a large scale the sugar production and trade.
- It was discovered that there are very few markets in or near the displacement sites. Melia market is the only daily market which displaced persons have easy access to, but it is reported that there is a lack of goods at this market;
- A major challenge in satisfying local demand is price inflation, which has been significant over the last years. This is especially due to the security crisis and the closure of the borders with Cameroon and Nigeria, which has led to a sharp increase in transport cost. Goods that were formerly transported over the lake (mainly imports from Nigeria) now have to be brought over land through Niger, which has led to a doubling of import prices and an estimated reduction in trade of more than 50%;
- In addition to the consumer survey, a survey was held among large traders and small vendors and service providers. According to the large traders, demand is sometimes exceeding supply for a large number of products. The main reasons for the unavailability of these goods are shortage of stock, lack of suppliers, financial constraints, heavy taxation, delays caused by the bad state of the roads and the closure of the border as a result of Boko Hara;
- The main sources of supply are local producers, as well as traders from N'Djamena, Nigeria, Cameroon and Niger;
- During the market survey, the major types of small businesses (vendors and service providers) were selected and interviewed, based on interviews with key informants and observations in the market.

During the survey, vendors and service providers were asked about their daily or monthly revenues. Due to the small sample size (for some businesses up to five interviews were held, but for the majority only one business owner was interviewed), the results do not provide empirical evidence, but they provide a first indication. Respondents were only asked about their revenues, and not profits made, so this is not an indicator of the profitability, but merely of the financial significance of various businesses. Based on the monthly revenues, the following goods appeared to generate high revenues:

Also, the following services appeared to generate high revenues:

It can be concluded that based on the information provided by traders, vendors and service providers, the main value chains in the Lac region in Chad are the following:

Product	Potential for local consumption	As input for production of:	Potential for exports
Maize	High	Flour, cooking oil	Low
Wheat	Low	Flour, bread, sauce, medicine	Low
Groundnuts	High	cooking oil, cake for food, cake and shells for animal fodder	High
Sugarcane	Medium	Sugar	Medium
Rice	High		Medium
Vegetables (okra, onion, tomato, pepper, garlic, fava beans)	High	Tomato juice/paste	Low
Fruit (mango, papaya, guava)	High	Fruit juice, canned fruit	High
Spirulina	Medium	Spirulina powder, soap, medicine	High
Salt	High		High
Natron (sodium carbonate)	High	Medicine, Soap, Mineral supplement (cattle), Food condiment	High
Fish	High	Dried or smoked fish, sardines, fish oil	High
Meat/skins (cattle)	High	Dried meat, corned beef, hides	High
Meat/skins (sheep and goat)	High	Dried meat, hides	Medium
Dairy products	High	Cow milk, butter, yoghurt, cheese	High
Straw mats	High	Traditional mats	Low
Timber/rattan	High	Traditional house building	Low
Electric power generation (through solar power)	High		N/A
Internet café, bar and bakeries	High		N/A

When integrated with the indications of key informants and direct observation of existing market demand and potential in the Lake Chad region, the value chains/markets that came out as having the highest potential to support income generating activities and employment of displaced youth, men and women, at risk are the following:

Highest potential products to develop:

Markets	Products
Best Livestock Markets	1. Meat value chain (fresh meat, dried meat, skins, tannery, leather products); 2. Dairy products value chain (milk, butter, yoghurt, cheese 3. Skins, hides and tanneries
Best Crops Markets	1. Groundnuts value chain (oil, cake, paste and fodders) 2. Cereal value chains (flours, bakery and pastry, pasta,) 3. Spirulina value chain (powder, soap, medicament) 4. Fruit juice value chain (mango, papaya, guava)
Fishery	1. Smoked fish 2. Dried fish 3. Fresh fish 4. Canned fish
Best Other Markets	1 Sodium Carbonate value chain (Natron) medicaments, soap, animal feed, condiments 2 Traditional straw mats production and sale 3 Electric power generation and distribution 4 Building and construction: traditional house building 5 Internet café, bar and bakeries

The best markets to develop	1. Ground nuts oil 2. Dried meat 3. Sodium Carbonate 4. Electric power generation and distribution 5. Spirulina value chain (powder, soap, medicament)

Within the many identified value chains, the small businesses[66] for products and services that can be considered for immediate development are:

- Maize production, trading, processing;
- Groundnuts production, trading, processing;
- Livestock- (processing and trading,);
- Agriculture: Spirulina;
- Natural product: Natron;
- Services: Electricity production and sale, Building of traditional houses/storage.

Reference to horticultural production and fish processing is made but their markets have not been considered as immediately profitable small businesses for they are characterised by many uncertainties related, respectively, to land distribution and restricted access to waters for security reasons.

[66] Pre-feasibility of potential business cases for displaced youth at risk in Bol and Baga Sola are provided in Annex B.

7 RECOMMENDATIONS

In this section, recommendations are made for specific business development strategies to enhance business opportunities for the displaced persons and host communities in the Lac region, based on an extensive field survey and analysis. This is followed by an analysis of the gender components and recommendations on gender-responsive programming.

7.1 IOM ACTION ON YOUTH INTEGRATION THROUGH SPECIFIC BUSINESS DEVELOPMENT STRATEGIES

In order to promote youth employment of displaced persons and host communities, the IOM project could consider a multiplicity of actions addressing the final beneficiaries as well as institutional recipient, in order to boost the sustainability of the intervention.

As immediate actions in support of youth, the IOM could:

- Make support to SODELAC available for accelerating the preparation and distribution of new polders for agricultural production in areas close to the displacement sites and, in parallel, undertake immediate action for building the capacity of displaced persons to manage production, processing and sale of produced goods;
- Support agriculture, livestock, fishery, production and manufacturing of natural resources and handicraft, small trade and commerce in different displacement sites to be selected on the basis of proximity of markets, fishing areas and centres and their accessibility for traders;
- Develop specific feasibility studies for the identified products in demand and with high market potential; their markets and value chains in Baga Sola and Bol; the knowledge skills required by the displaced persons willing to engage;
- Support the establishment of women and youth sustainable enterprises/cooperative societies involved in production, manufacturing and trading in potential markets and in the business opportunities identified in the assessment;
- Consider developing feasibility studies preliminary to the implementation of the identified pre-feasibility business cases presented as Annex B, like the value chain development (e.g. spirulina, groundnuts transformation, electric power generation) and provide direct financial support as well as activate microcredit, savings and credit cooperatives, community credit and saving schemes;
- Support displaced persons in setting up multi-service cooperatives running shops, storage facilities, basic cold chain facilities, processing machinery, and so on;
- Stimulate employment of displaced youth in building basic infrastructure in the displacement site with the use of labour intensive schemes;
- Identify at local levels all the existing and potential suppliers of vocational training including local businesses, craftsmen and small entrepreneurs involve them in the provision of training for displaced persons as a pool of business counsellors and mentors to follow up on the displaced persons' new businesses and their sustainability and coach new entrepreneurs, making them part of their chains of production and value chains;
- Establish and stabilise service and consumer cooperatives in the displacement sites, as efficient hubs for the procurement, provision and rationalisation of extension services for cooperative members and people in the sites;

- Consider microfinance and microcredit and partner with public and private microfinance institutions to increase the credit threshold and credit access restructured /collaterals and guarantees;
- Support the establishment of self-help groups or cooperatives for promoting saving and credit schemes for housing construction including the procurement and sale of B&C building material, storage and transport;
- Provide support (financial and technical training) for start-up and management of micro-enterprises on electricity production technology and equipment (solar);
- Promote gender-responsive individual and group endeavours for young women in the displacement sites.

As immediate actions in partnership with national and local institutions and local stakeholders, IOM could:

- Consider supporting agriculture, horticulture, livestock and fishery in displacement sites selected on the basis of proximity of markets, fishing areas and centres and their accessibility for traders;
- Cooperate with the development partners that assist SODELAC in assigning agricultural land to and providing extension services to displaced persons;
- Strengthen Business Development Services as antenna of the Chamber of Commerce in Bol, Traders Association in Baga Sola, micro-credit facility, SODELAC agricultural enterprise development service;
- Cooperate with agencies and authorities in providing BDS management training to the staff of the agriculture, fisherman and pastoralist associations and the displaced persons engaged in the same activities;
- Liaise with line ministries currently absent from the localities to provide coverage of service provision (employment services, youth promotion funds like FONAJ, FONAP, Micro enterprise development fund of the ONAPE) to displaced youth and host communities;
- Support the Department of Labour in Bol to extend coverage of active labour market measures for displaced persons like: training needs assessment, initial Labour Market Information, management of basics labour exchange functions to the displacement sites around Baga Sola as well;
- Partner with the Bol Vocational Training School for the inclusion of displaced youth in modular courses leading to a national qualification as well as short specialising courses for trades they have opted to develop as their new businesses;
- Advocate for the improvement of road infrastructure by the Government and development partners as a necessary condition for the promotion of commercialisation of locally produced goods as well as for more cost-effective import of goods;
- Advocate for improved government policies around taxes and customs regulations, focused on a more business-friendly approach.

As cooperation with other development partners and specialised agencies for the promotion of employment and self-employment of displaced persons, the IOM could:

- Consider linking up with other programmes focused on business development (e.g. Know about, Generate, Start and Improve your business, My COOP (ILO) or COMFAR (UNIDO);
- Integrate adult training programmes (e.g. UNICEF and NGOs') by organizing mobile training in displacement sites for displaced persons, based on short courses;
- Develop modular training providing credits upon completion of modules and leading to a formal qualification when the established number of credits is achieved;

- Promote training of trainers from VTC and public/private suppliers, including NGOs, in both localities for trades in demand and entrepreneurial skills development short programmes (e.g. using the ILO's "Know about business", ILO TREE - "Training for rural economic empowerment");
- Adopt a mechanism of recognition of prior learning or competences acquired by displaced persons through non-formal learning and working experience, in cooperation with UNICEF, UNESCO and the DREN of the Lac region. This would allow displaced youth to get a qualification (e.g. skilled worker or junior technician) by the mean of formal testing organised at the VTC in Bol).

7.2 GENDER RESPONSIVE PROGRAMMING

The findings of the study revealed deep-rooted gender stereotypes about women based on the cultural and traditional norms and values according to which women should stay indoors and not to be involved in public business activities. In the two localities the team observed and learned that culturally women are less involved in matters pertaining to business and moneymaking that seem to be dominated by the male gender. According to the law, women are allowed to run businesses but it is culturally accepted that that it is best for the women to stay in their homes. However, with proper awareness of the benefits of women empowerment, such cultural norms and mind-sets can be changed or transformed and both women and men can work together and contribute to the economic and financial welfare of the household. The restrictions on women economic activities and movements result in marginalisation, and disadvantaging about 50% of the economically active section of the population being. This cultural, traditional and religious restriction of women results in a disadvantaged section of the women segment of the population. The situation is quite prevalent in both the host communities and the displaced communities.

In the course of the mapping the team observed the following critical factors, which limit women engagement in serious and profitable businesses that can empower them economically and financially:

Restricted access to markets

Since women are not encouraged to partake in business activities outside of their homes, and the most profitable businesses happen outside women's homes in the public market places, women run less significant business activities in both Bol and Baga Sola. Such businesses do not generate sufficient incomes for major accomplishments in the households and place socio-economic restrictions on women capacities and potential economic empowerment and leadership. A woman's potential to contribute to household income and livelihoods can be unleashed through progressive and transformative gender-responsive programming.

Women in livestock markets, agricultural, and other markets

In an interview with the cattle traders, it was stated plainly that women are not involved in livestock markets because it is culturally not acceptable for a woman to be seen in the sheep and cattle markets. The job would be too difficult for women and it is best that they concentrate on other easier household tasks suitable for women. This situation is the same in both displacement sites and in the host communities in Bol and Baga Sola.

Common income generating activities (IGAs) for women in Bol and Baga Sola

The common income generating activities (IGAs) for women in both localities are food processing and handicraft. Women also run sheep and goat businesses in the displaced camps at a very limited and insignificant level because their movements are restricted as described above. Another economic area where women are involved is food processing, particularly milk and milk products, maize and groundnut products' processing. However, in most of these agricultural enterprises, women are only involved as labour suppliers, and not as entrepreneurs or producers.

Access to land and other productive resources

The norm is that household heads own land and the women do not own land. Women-headed households have equal access to land as men-headed households, because they inherit the land from their husbands. There has been limited gender-responsive work done in Bol and Baga Sola and women are in the back seat as far as economic development is concerned.

7.3 RECOMMENDATIONS FOR A GENDER-RESPONSIVE IOM PROGRAMME

The mapping showed that women and youth provide labour. Strategies that the IOM project could adopt for ensuring the economic participation and contribution of young displaced women entail:

- Sensitisation of authorities in charge of Bol and Baga Sola markets to allot more market stalls to women that already own a stall in the camps visited during the market study;
- Encourage the leaders of sites and host communities to lift restrictions to the movement of women so they can run production and service enterprises, beyond the sectors and trade to which they are traditionally confined;
- Promotion of a more gender balanced distribution of land by SODELAC and assistance to women to own land and have access to training, extension services, inputs and tool;
- Assistance to start up and develop business along the livestock value chains;
- Support to women to directly market their agricultural production, or livestock related products instead of providing labour only;
- Equal access to technical training and entrepreneurial skills development for decent employment;
- Mainstream the key aspects of gender-responsive programming are like the heavy workloads on women in the households and childbearing; the legal framework; the politicisation of resources and assets; control over revenues in the project activities.

ANNEXES

ANNEX A: SOURCES (BIBLIOGRAPHY) OR REVIEWED LITERATURE

See separate document

ANNEX B: PRE-FEASIBILITY OF POTENTIAL BUSINESS CASES FOR DISPLACED PERSONS IN BOL AND BAGA SOLA

See separate document

ANNEX C: DETAILED WORKPLAN

See separate document

ANNEX D: THE PROCESS AND TRAINING OF IOM STAFF

See separate document

ANNEX E: OVERVIEW OF TARGET GROUPS, LOCATIONS, COVERAGE

See separate document

ANNEX F: TOOLS

See separate document