

**The Project of Resilient Livelihoods & Gender-
Responsive Economic Opportunities for
Women, Youth & Communities in Abyan and
Lahj Governorates**

Project Code: (K-Yem-2025-4032)

**Labor and Market Assessment for Identifying
Suitable Income Generating Activity (IGA) and
Skills Development Opportunities for Women,
Youth & Communities in Abyan Governorate**

November 2025

Implementation by

Building Foundation for Development (BFD)

Funded by

Diakonie Katastrophenhilfe (DKH)

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY	5
2. INTRODUCTION AND BACKGROUND	8
2.1 INTRODUCTION.....	8
2.2 RATIONALE OF THE STUDY	9
2.3 PURPOSE OF THE ASSESSMENT	9
2.4 GEOGRAPHIC COVERAGE	10
2.5 TARGET POPULATION.....	10
3. METHODOLOGY OF THE STUDY	11
3.1 MARKET ASSESSMENT APPROACH OVERVIEW.....	11
3.2 SAMPLING AND DATA COLLECTION METHOD STRATEGY	11
3.3 DATA PROCESSING	12
3.4 DATA ANALYSIS.....	12
4. THE MAIN FINDINGS.....	13
4.1 LABOR MARKET ASSESSMENT	13
4.1.1 Demographic profile	13
4.1.2 Business and economic profile	15
4.1.4 Labor demand and skills gap	19
4.1.5 Positions Difficulty.....	20
4.1.6 Training Required and Skills Needed.....	22
4.1.7 The current labor market trends	26
4.1.8 Growth Sectors and New Opportunities	27
4.1.9 The factors effect on Products and services demand.....	28
4.1.10 The current small and medium enterprise	30
4.1.11 Opportunities identified for community enterprise	33
4.2 MARKET ASSESSMENT	36
4.2.1 Demographic profile	36
4.2.2 Market access and services Information.....	37
4.2.3 Availability of goods (commodities) and Services	40
4.2.4 Proposed Activities for Livelihood Restoration for men	40
4.2.5 Proposed Activities for Livelihood Restoration for women	41
4.2.6 Estimate cost of Proposed Activities for Livelihood Restoration	42
4.2.7 Accessibility to Training materials and Programs	42
5. CHALLENGES, ISSUES AND CONSTRAINTS	44
5.1 THE OBSTACLES OF WOMEN'S PARTICIPATION	45
5.2 SMALL BUSINESSES' CONSTRAINTS	45
6. SUGGESTIONS AND SOLUTIONS	48
6.1 EFFECTIVE SUPPORT FOR SMALL BUSINESSES	49
6.2 ENCOURAGE WOMEN'S PARTICIPATION	49
7. OVERALL CONCLUSIONS AND RECOMMENDATIONS.....	52
7.1 KEY CONCLUSIONS	52
7.2 EVIDENCE-BASED RECOMMENDATIONS.....	53
8. DOCUMENTATION	55
9. ANNEXES	57

List of Tables

TABLE 1: SAMPLE DISTRIBUTION BY DISTRICT	12
TABLE 2: TRAINING NEEDS AND REQUIRED SKILLS FOR SUPPORT SMALL- SCALE BUSINESSES.....	25
TABLE 3: THE CURRENT LABOR MARKET TRENDS	26
TABLE 4: THE CURRENT CHALLENGES THAT FACE TRAINEES	27
TABLE 5: THE GROWTH SECTORS AND NEW OPPORTUNITIES BEFORE AND AFTER THE CRISIS AND NEARBY FUTURE	28
TABLE 6: THE CURRENT SMALL AND MEDIUM BUSINESS (ENTERPRISE) IN ABYAN	30
TABLE 7: OPPORTUNITIES IDENTIFIED FOR WOMEN AND YOUTH COMMUNITY ENTERPRISE	34
TABLE 8: PROPOSED LIVELIHOOD AND MICRO-ENTERPRISE OPPORTUNITIES BY FGDS.	35
TABLE 9: MARKET ACCESS AND SERVICES INFORMATION	38
TABLE 10: AVAILABILITY AND ACCESS TO GOODS (COMMODITIES OFFERED)	40
TABLE 11: PROPOSED ACTIVITIES FOR LIVELIHOOD RESTORATION FOR MEN.....	41
TABLE 12: PROPOSED ACTIVITIES FOR LIVELIHOOD RESTORATION FOR WOMEN	41
TABLE 13: THE COST ESTIMATED FOR THE PROPOSED ACTIVITIES FOR LIVELIHOOD RESTORATION	42
TABLE 14: ACCESSIBILITY TO TRAINING MATERIALS AND PROGRAMS	43
TABLE 15: THE MAIN CHALLENGES FACING THE CURRENT SMALL BUSINESSES IN THE MARKET	44
TABLE 16: THE MAIN OBSTACLES/BARRIERS THAT WOMEN FACE IN ENTERING THE LABOR MARKET .	45
TABLE 17: THE MAIN CHALLENGES SMALL BUSINESSES IN ABYAN	46
TABLE 18: THE KEY CHALLENGES COMMUNITIES FACED IN THEIR LIVELIHOODS.....	47
TABLE 19: THE MAIN SUGGESTIONS FOR SUPPORT THE SUCCESS OF SMALL BUSINESSES.....	49
TABLE 20: THE MAIN SUGGESTED FOR ENCOURAGE WOMEN’S PARTICIPATION IN THE LABOR MARKET	50
TABLE 21: THE MAIN SUGGESTION FOR IMPROVING AND SUPPORTING THE SMALL BUSINESSES AND IN ABYAN BY FGDS.....	51

List of Figures

FIGURE 1: DISTRIBUTION OF LMA RESPONDENT BY GENDER	13
FIGURE 2: DISTRIBUTION OF LMA RESPONDENT BY EDUCATIONAL LEVEL.	14
FIGURE 3: DISTRIBUTION OF LMA RESPONDENT BY AGE	15
FIGURE 4: DISTRIBUTION OF RESPONDENT BY POSITION	15
FIGURE 5: DISTRIBUTION OF RESPONDENT BY BUSINESS DURATION	16
FIGURE 6: DISTRIBUTION OF RESPONDENT BY NATURE OF BUSINESS.	16
FIGURE 7: DISTRIBUTION OF RESPONDENT BY NUMBER OF EMPLOYEES.....	17
FIGURE 8: DISTRIBUTION OF RESPONDENT MARKET LOCATION	18
FIGURE 9: DISTRIBUTION OF WORKFORCE IN THE MARKET BY GENDER.....	18
FIGURE 10: ECONOMIC SECTORS OPERATING IN THE MARKET SYSTEM.....	18
FIGURE 11: EMPLOYMENT TREND IN THE MARKET BY EMPLOYMENT TREND.....	19
FIGURE 12: LABOR MARKET SKILLS LEVEL ASSESSMENT.....	20
FIGURE 13: DIFFICULTY LEVEL OF ADMINISTRATIVE & FINANCIAL POSITION	20
FIGURE 14: DIFFICULTY LEVEL OF MARKETING & SALES POSITION	20
FIGURE 15: DIFFICULTY LEVEL OF CUSTOMER SERVICES POSITION	21
FIGURE 16: DIFFICULTY LEVEL OF TECHNICAL & SKILLED TRADE POSITION	21
FIGURE 17: JOB-SPECIFIC TECHNICAL SKILLS NEEDS	22
FIGURE 18: COMMUNICATION SKILLS NEEDS.....	23
FIGURE 19: ENGLISH LANGUAGE SKILLS NEEDS	23
FIGURE 20: BASIC COMPUTER SKILLS NEEDS	24
FIGURE 21: BUSINESS MANAGEMENT SKILLS NEEDS	24
FIGURE 22: MARKETING AND SALES SKILLS NEEDS.....	25
FIGURE 23: THE MOST DEMANDED PROTECTS/SERVICES IN THE LOCAL MARKET	29
FIGURE 24: THE FACTORS AFFECT DEMAND ON PRODUCTS AND SERVICES	30
FIGURE 25: DISTRIBUTION OF MARKET ASSESSMENT RESPONDENT BY GENDER	36
FIGURE 26: DISTRIBUTION OF MARKET ASSESSMENT RESPONDENT BY EDUCATIONAL LEVEL.....	37
FIGURE 27: PROPOSED SUGGESTIONS FOR SUPPORT LIVELIHOODS AND SMALL-SCALE BUSINESS	48

1. Executive summary

This Labor and Market Assessment (LMA) was conducted to generate a clear, evidence-based understanding of economic conditions, labor dynamics, skill gaps, and viable income-generating opportunities for women, youth, and vulnerable communities in Abyan Governorate. The assessment supports the “Resilient Livelihoods & Gender-Responsive Economic Opportunities Project,” providing actionable insights to guide program design and strengthen market-responsive interventions. A mixed-methods approach was used, integrating 544 market surveys, 52 labor market surveys, 15 Focus Group Discussions (FGDs) and 15 Key Informant Interviews (KIIs). Data analysis was conducted using SPSS, Excel, and Power BI. The triangulation of data ensured a comprehensive understanding of both market behavior and local labor needs.

Key Findings:

The economic landscape of Abyan is characterized by a high dependence on small-scale trade, agriculture, livestock production, and home-based enterprises particularly those led by women.

The economy of Abyan is characterized by subsistence-based market dominated by retail trade (56.5%), with food items constituting 65.8% of consumer demand. Despite challenging conditions, resilient sectors like fisheries and agriculture show strong recovery potential. The labor market is stagnant (72.4% report stable employment), with a significant skills deficit: 66.8% of the workforce is perceived as having low skills, and critical gaps exist in job-specific technical skills (79.5% combined gap), business management (74.5%), and marketing & sales (82.2%). Women face severe structural barriers, including a lack of suitable job opportunities (97.9% agreement) and safe transportation, reflected in their minimal presence (12.7%) in the public labor market sample. Micro-enterprises, which form 76.9% of businesses, operate in a context of financial fragility, relying on personal savings/debt and confined to local, word-of-mouth markets, while grappling with high input prices and limited managerial expertise.

The assessment highlights a critical confluence of challenges and opportunities in Abyan Governorate:

1. **Dual Financial and Skills Fragility:** Micro-enterprises and households face severe financial strain (99.3% lack access to finance; 84.4% rely on debt) compounded by a pervasive skills deficit, particularly in Business Management and Marketing/Sales.
2. **Structural Gender Barriers:** Women's low economic participation is driven by a lack of suitable, safe, and flexible work opportunities, not social acceptance for training. **Resilient Sectors and Emerging Demand:** Traditional sectors like Agriculture and Fisheries show resilience, while high demand exists for modern services such as Solar Energy and Motorcycle Maintenance.

3. Integrated Support Demand: The community explicitly requires a holistic intervention model that combines finance, practical training, equipment, and market access.

Proposed Livelihood Activities and Community Enterprise Opportunities

Most of the Proposed Livelihood Activities and Community Enterprise Opportunities as income-Generating Activities (IGAs) hat received top ranking in 15 locations based on frequency and community prioritization across locations are:

Proposed Activities for Livelihood Restoration According District Level.			
Khanfar	Frequency	Zenjibar	Frequency
Agriculture	16	Agriculture	4
Water Cooling	15	Water Cooling	14
Mobile Maintenance & Programming	16	Mobile Maintenance & Programming	12
Solar Energy	16	Solar Energy	13
Air conditioning and refrigeration	16	Air conditioning and refrigeration	2
Household Electricity	16	Household Electricity	8
Beekeeping	16	Beekeeping	16
Groceries	17	Groceries	12
Fish shopping	17	Fish shopping	12
Women's Sewing	10	Women's Sewing	1
Mechanical Cars	9	Mechanical Cars	5
Project Management	15	Project Management	2
Livestock breeding	17	Livestock breeding	12
Chicken shopping	17	Chicken shopping	5
Henna packaging	11	Henna packaging	10
Digital Marketing	15	Digital Marketing	0
Poultry farming	16	Poultry farming	8
Carpentry	12	Carpentry	4
Construction work	16	Construction work	1
Coiffure	14	Coiffure	11
Industry of local food products	16	Industry of local food products	2
Bicycles/Motorcycles maintenance	16	Bicycles/Motorcycles maintenance	8
Crafts	13	Crafts	2

- ✓ Beekeeping & Honey Production
- ✓ Solar Energy Services
- ✓ Livestock Breeding (for both meat and dairy)
- ✓ Poultry Farming

- ✓ Mobile Phone Maintenance & Programming
- ✓ Tailoring, Sewing, and Embroidery (specifically for women's empowerment)
- ✓ Small-Scale Agriculture & Local Food Processing
- ✓ Motorcycle Maintenance
- ✓ Incense and Perfume Industry

Key Recommendations:

To foster livelihood resilience and inclusive economic development, Interventions must be holistic, market-driven, and gender-responsive, so a multi-layered intervention strategy include:

1. Integrated Livelihood Packages: Implement programs that combine soft financing/grants with mandatory business training and provision of quality equipment/inputs for priority IGAs (e.g., Beekeeping, Tailoring, Solar Services).
2. Demand-Driven Skills Reform: Overhaul vocational training to focus on high-gap areas: Financial/Project Management and Digital Marketing, ensuring post-training mentorship and market linkage support.
3. Gender-Transformative Empowerment: Develop dedicated programs to support women-owned, home-based enterprises and promote flexible work models to overcome structural barriers.
4. Market and Value Chain Strengthening: Facilitate access to broader markets through digital marketing training, trade fairs, and the formation of producer cooperatives.
5. Access to Finance: Design tailored financial products (soft loans, microgrants) for women and youth, and partner with microfinance institutions to introduce risk-mitigated lending mechanisms.

2. Introduction and Background

2.1 Introduction

Yemen continues to face one of the world's most complex humanitarian and economic crises, marked by prolonged conflict, institutional fragmentation, widespread poverty, and the collapse of essential public services. These challenges have severely undermined household resilience, restricted access to basic economic opportunities, and disrupted traditional livelihood systems across rural and urban areas alike. Communities in project-targeted regions, particularly women and youth, experience heightened vulnerability due to limited income sources, weak market structures, and inadequate access to skills development.

Within this fragile context, the “Resilient Livelihoods & Gender-Responsive Economic Opportunities for Women, Youth & Communities in Abyan and Abyan Governorates Project” aims to address critical socio-economic gaps by enhancing self-reliance, improving income-generation capacities, and supporting community-level recovery. The proposal highlights that affected households suffer from restricted access to productive assets, diminishing livelihood options, and reduced purchasing power conditions that collectively demand targeted, market-driven interventions.

Women and youth face disproportionate barriers to economic participation, including limited mobility, weak access to finance, cultural constraints, and reduced access to training or employment pathways. These groups often depend on informal or low-income activities, making them highly vulnerable to market shocks. At the same time, local markets show signs of resilience and untapped potential, particularly in sectors such as food production, agriculture, livestock, crafts, and small-scale services areas where targeted support can generate sustainable livelihood opportunities.

In response to these conditions, a comprehensive assessment of labor and market dynamics is essential to ensure that livelihood interventions are relevant, feasible, and aligned with real economic demand. A strong evidence base is required to inform program design, guide vocational training priorities, and identify viable income-generating activities (IGAs) suited to local conditions and beneficiary capacities.

This report draws and provides a detailed analysis of market systems, labor trends, skill gaps, gender barriers, and sector-specific opportunities in the targeted communities. The findings offer a strategic framework for designing effective, inclusive, and market-responsive programming that enhances resilience and expands economic participation among vulnerable groups.

2.2 Rationale of the Study

A market-driven approach is essential to ensure that livelihood interventions are sustainable and capable of generating meaningful economic benefits. In Abyan, emerging trends such as growing demand for food products, increasing interest in renewable energy services, and resilience of agricultural and home-based sectors create opportunities for inclusive economic advancement. However, without accurate data on supply gaps, consumer behavior, gender-based limitations, and skill deficits, interventions risk failing to align with market realities. This assessment bridges that information gap by delivering a comprehensive evidence base for strategic planning.

2.3 Purpose of the Assessment

The primary purpose of the assessment is to generate a nuanced understanding of the market systems, labor force characteristics, and livelihood opportunities within the targeted regions of Abyan Governorate. Specifically, the assessment aims to:

1. Identify high-potential economic sectors suitable for women, youth, and vulnerable groups.
2. Analyze market demand and supply dynamics, including price trends, product availability, and consumer behaviors.
3. Assess labor market requirements, focusing on skills in demand, recruitment challenges, and workforce readiness.
4. Identify key skills gaps limiting employability and entrepreneurial success.
5. Examine gender-specific barriers affecting women's participation in economic activities.
6. Explore challenges faced by micro and small enterprises, including access to finance, inputs, markets, and infrastructure.
7. Provide actionable, market-aligned recommendations to guide program design and intervention planning.

2.4 Geographic Coverage

The assessment was conducted across 15 key areas of Abyan Governorate include: Al-Khober, Al-Mantiqah Al -Khadra, Al- Sheikh Abdullah, Al Sarh, Al Tariyah, Al Tomisy, Al -Asalah, Al Koud, Ba-shahrah, Ber Al Sheikh, Khebt Laslom and Dahel Ahmed, Atta, Afiny, Al-Mahall and Amudiyah.



These areas were selected based on:

- Concentration of project beneficiaries
- Presence of active markets
- Economic relevance and diversity
- Accessibility for data collection
- Representation of rural and peri-urban dynamics

2.5 Target Population

The study targeted diverse groups to ensure comprehensive representation of market actors and community perspectives: Micro and small business owners, Market vendors and producers, Women entrepreneurs and home-based workers Youth (unemployed, underemployed, or informally engaged)

This diversity enabled a holistic view of market functioning, labor capacity, and socio-economic constraints.

3. Methodology of the Study

3.1 Market assessment approach Overview

The study/market assessment was focused on analyzing the market and identifying market-based and resilient micro & small IGAs including livelihood opportunities for women and exploring the barriers for accessing business finance options, access to skill training, market linkages etc. available for women. To meet these objectives, an in-depth structured study/market assessment was conducted.

The study has followed the mixed method approach, which consisted of both qualitative and quantitative methods. Use of both qualitative and quantitative methods have brought a greater opportunity to analyze the local market and identify market-based and resilient livelihood opportunities for women, youth and communities and explore the barriers for accessing business finance options available for the target beneficiaries on one hand and on the other hand compared to the traditional approaches, also the study aims to capture a comprehensive picture of market dynamics, labor force characteristics, skill gaps, and socio-economic barriers within Abyan Governorate. The methodological framework ensured triangulation of findings, enhanced reliability, and allowed for a nuanced understanding of livelihoods and economic opportunities across diverse population groups.

3.2 Sampling and Data Collection Method Strategy

The assessment was conducted across 15 key areas of Abyan Governorate include: Al-Khober, Al-Khadra, Al-Sheikh Abdullah, Al Sarh, Al Tariyah, Al Tomisy, Al -Asalah, Al Koud, Ba-shahrah, Ber Al Sheikh, Khebt Laslom and Dahel Ahmed, Atta, Afiny, Al-Mahall and Amudiyah.

A total of 566 respondents participated in the quantitative component (Table 1):

- 544 Market Assessment respondents (producers, vendors, business agents, and service providers).
- 52 Labor Market Assessment respondents (micro-enterprise owners, home-based workers employers).
- To obtain primary information, 30 FGDs with around 210 beneficiaries.

Data was collected through 2 Market Assessment Survey, Labor market survey and FGDs surveys conducted as part of the "Resilient Livelihoods & Gender-Responsive Economic Opportunities" project.

The survey was designed to gather quantitative data on demographics, labor market trends, skills assessments, and business challenges. Both tools (Labor and market assessment survey) were digitized and deployed using KoBo Toolbox, enabling real-time data entry, monitoring, and validation.

Table 1: Sample Distribution by District

District Name	Sample Size		
	LAM Questionnaire	MA Questionnaire	FGDS
Khanfar	30	253	15
Zinjibar	22	291	15
Total	52	544	30

A combination of purposive sampling and convenience sampling was used:

- Purposive sampling ensured inclusion of active market actors, employers, women entrepreneurs, and youth.
- Convenience sampling allowed for rapid data collection in high-traffic market areas where respondents were readily available.

This approach maximized relevance while acknowledging logistical constraints common in crisis-affected contexts.

3.3 Data Processing

Data has been entered through online data entry platform called KoBo Toolbox. Supervisor has checked data at the field level by real time checking, spot checking and sudden checking mechanisms. On the other hand, the Data Management Expert made sure real time checking at the central level. The data generated by FGDs and have been recorded through questionnaire after take the verbal permission of the respondents.

3.4 Data Analysis

Quantitative data from questionnaires survey was analyzed using SPSS, excel and power BI programs by which measures of frequency, cross tabulation, mean etc. were done and graphical presentation were used. Qualitative data from KII and FGDs were transcribed, coded and then interpreted in line with the ToR of the assessment. To ensure validity and allow for generalization, data were triangulated across all quantitative and qualitative data collection tools, in order to build consensus on the logical findings that were carried forward to formulate recommendations. Tables, graphs and charts will also be generated for analysis.

The analysis was strictly based on the data provided in the assessment file. The process involved:

1. **Systematic Extraction:** Each figure and table were systematically reviewed, and all numerical data (percentages, frequencies, rankings) was extracted.
2. **Variable-by-Variable Examination:** Each variable was analyzed individually to understand its core result before exploring relationships with other findings.
3. **Cross-Variable Analysis:** Connections between different data points were identified (e.g., linking "skills gaps" with "difficulty filling positions" and "business challenges").

4. **Trend Identification:** Patterns across sectors (before/after crisis) and consensus on challenges/opportunities were analyzed to identify robust conclusions.
5. **Recommendation Formulation:** Every proposed recommendation was directly derived from and linked back to specific data findings to ensure they are evidence-based and actionable.

4. The Main Findings

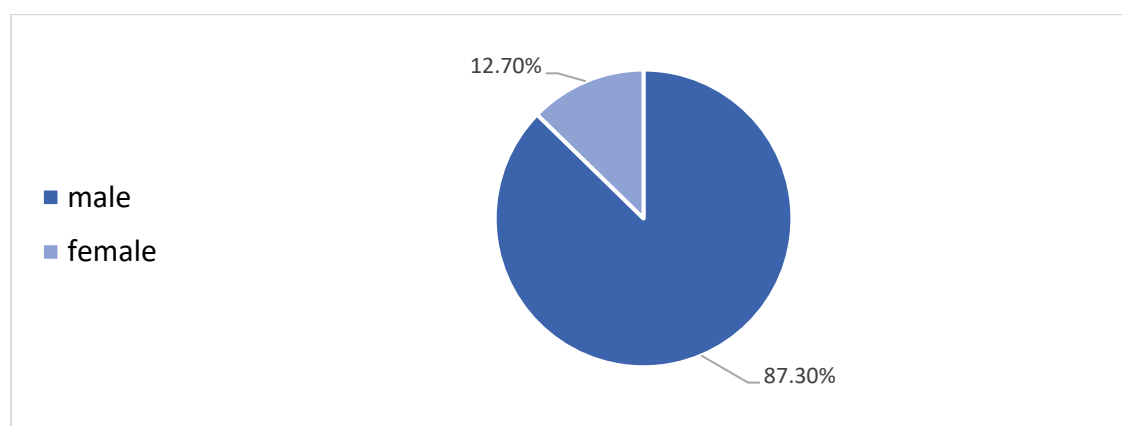
4.1 Labor Market Assessment

The Labor and market assessment was carried out to find out the areas of micro and small businesses, and opportunities with the most promising growth potential for women, youth and communities to successfully contribute to sustainable livelihoods. while not undermining the natural resource base. It also attempted to explore the barriers which affect them to access into the finance or credit. This is a comprehensive Labor Market Assessment (LMA) provides a detailed analysis of the data collected to assess the labor market dynamics, skills gaps, and economic opportunities that shape the livelihoods of women, youth, and vulnerable communities in Abyan Governorate. The findings are critical for designing targeted interventions under the "Resilient Livelihoods & Gender-Responsive Economic Opportunities" project.

4.1.1 Demographic profile

This section provides an overview of the survey participants, which is essential for understanding the context of the findings. The analysis of general respondent information reveals distinct characteristics of the participants in the labor market assessment .Figure 1 shows the gender groups of beneficiaries of the first sample 1. The distribution of respondents by gender (gender distribution) Data shows a clear dominance of the male sex in the sample with a relative importance of 87.3% compared to 12.7% for Female

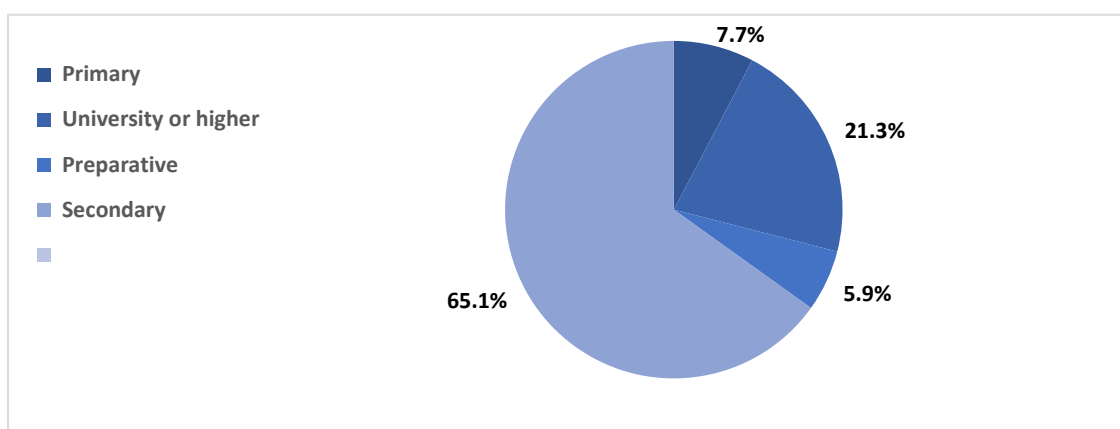
Figure 1: distribution of LMA respondent by Gender



This significant gender gap in the labor assessment sample may indicate barriers preventing women from participating in public economic activities or difficulties in

reaching them during data collection. Consequently, the subsequent findings on market needs and job opportunities likely reflect a predominantly male perspective. This represents a limitation of the study that must be acknowledged and may require supplementary studies specifically targeting women to ensure their views and needs are represented. This significant gender gap in the sample may indicate barriers preventing women from participating in public economic activities or difficulties in reaching them during data collection. Consequently, the subsequent findings on market needs and job opportunities likely reflect a predominantly male perspective. This represents a limitation of the study that must be acknowledged and may require supplementary studies specifically targeting women to ensure their views and needs are represented. This distribution indicates a clear male dominance in the market assessment sample, suggesting that conclusions regarding specific women's opportunities or barriers should be made cautiously without complementary data. The data in figure 2 illustrates that most (65.1%) has completed secondary education. This is followed by those with a university degree or higher (21.3%), then preparatory (7.7%) and primary education (5.9%), This indicating a varied educational base within the business community and there are a large portion of the potential workforce in Abyan has a solid basic educational level (secondary), making them suitable candidates for vocational and technical training programs. The presence of a considerable percentage of university graduates also provides a base for advanced skills. The data also, reveals a population with a solid foundational education, as over 65.1% have attained at least a preparatory level. This indicates a strong baseline capacity for participants to engage in and benefit from further skills development and vocational training programs.

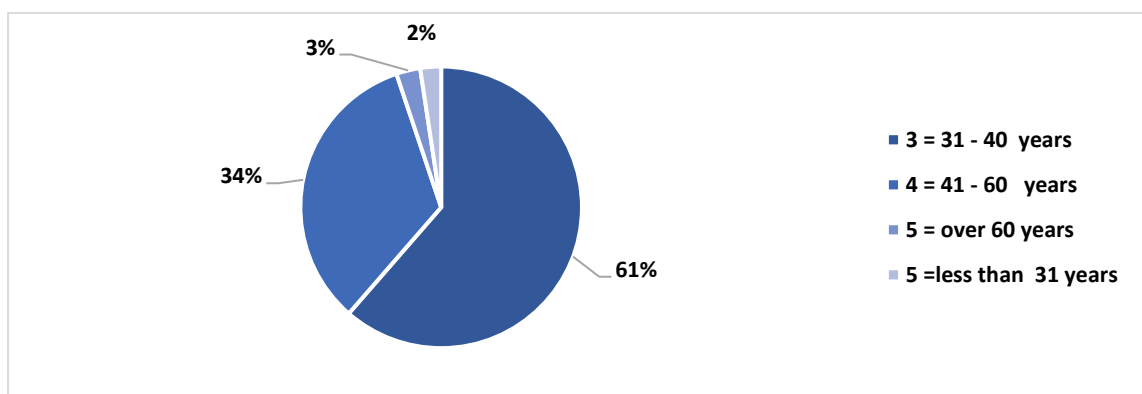
Figure 2: distribution of LMA respondent by Educational Level.



This trend in result, which represent the diversity of the population segments according to the educational level in the target area, indicating the urgent need to adapt training and access tools to suit this category.

The data in Figure 3 show that the sample is predominantly young, with the 18-30 age group leading at 48.9%, followed closely by the 31-40 age group at 45.6%. This demographic trend highlights a large and vibrant labor force, but also signifies significant pressure on the labor market to provide employment opportunities for this group. Given the youthful demographic, any development initiatives should focus on this age bracket to achieve maximum economic and social impact. The age distribution also provides insights into the potential needs and experiences of the respondents. The more experienced group (31-40) is well-represented, offering valuable perspectives from established business leaders. Meanwhile, the relatively lower representation of youth (18-30) suggests that youth-specific needs may require further targeted investigation. Given that most of the sample consists of mature adults who likely carry significant household responsibilities and may have prior work experience, interventions should be designed to be practical and accessible for individuals with limited time flexibility and a need for immediate income generation.

Figure 3: distribution of LMA respondent by age



4.1.2 Business and economic profile

This section provides an in-depth view of the nature and scale of the businesses surveyed; the profiling has been prepared to understand the market that women and youth should be engagement in economic activity/productive.

Among the total responded majority (54.7%) are shop owner while 45.3% respondents are worker are engaged with different work. The data predominantly reflects the perspective of business ownership and management, thereby focusing the analysis on strategic challenges and opportunities figure 4. This balance is beneficial as it allows for the collection of perspectives from both sides: employers who define the demand for skills, and workers who represent the supply side.

Figure 4: Distribution of respondent by Position

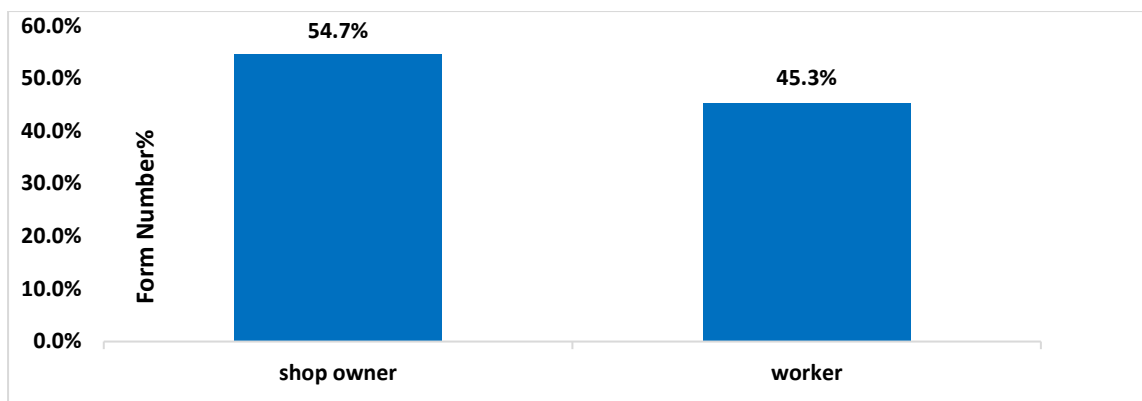
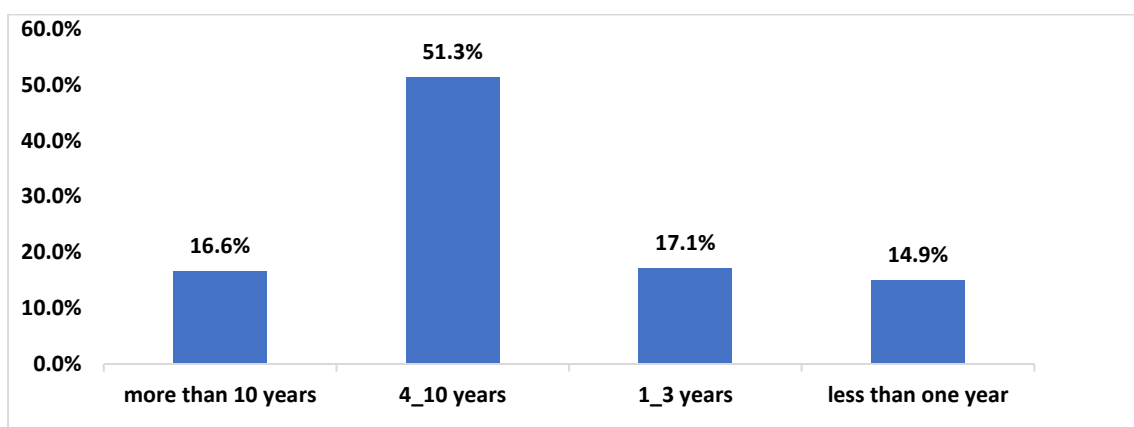


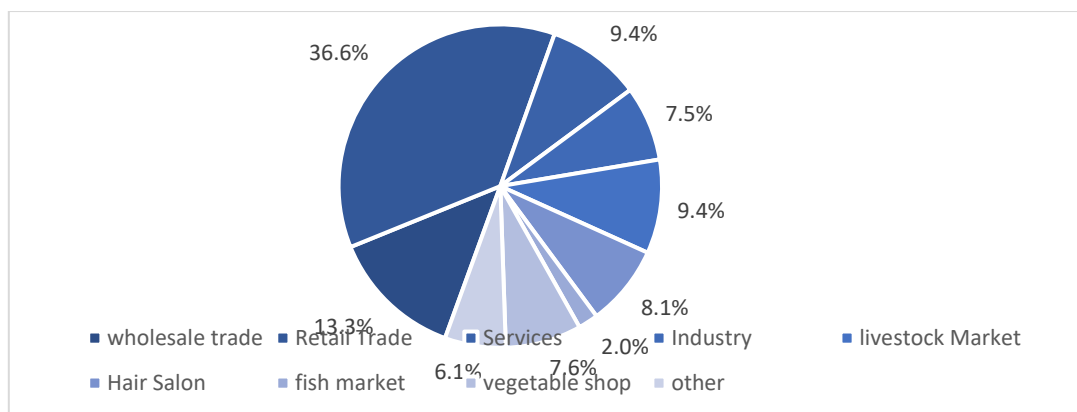
Figure 5 illustrates the distribution of respondents by business duration, providing a visual representation of the business landscape. The findings from the labor market assessment reveal that the majority of surveyed businesses are relatively well-established. Specifically, 51.3% have been operating for 4-10 years, and 16.6% have been in operation for over 10 years, only 16.65% are new (less than 1 year), suggesting a market with experienced actors but potentially low dynamism for new entrants. This suggests a degree of stability and resilience in the local business sector, as most companies have managed to survive despite challenging conditions. These established businesses can serve as a solid foundation for expansion and growth initiatives.

Figure 5: Distribution of respondent by Business Duration



According to the results in figure 6 shows the distribution of respondent by nature of business, the most prevalent type of business is retail at (36.6%), followed by wholesale trade at (13.3%), while services represent only (8.1%) and (7.5%) respectively form a minority. The market is highly commercial (totaling 49.9% in trade), suggesting that service or industrial projects may hold untapped potential but face distinct challenges.

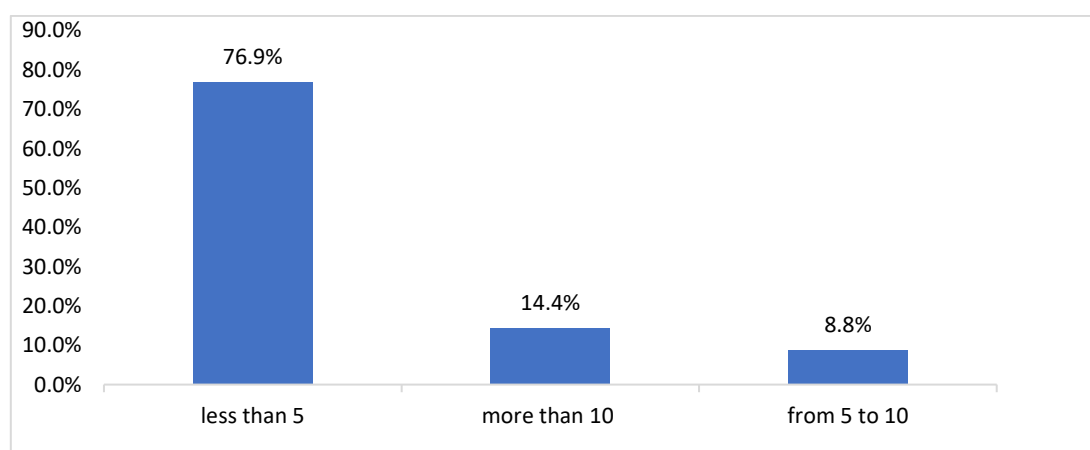
Figure 6: Distribution of respondent by Nature of Business.



The high prevalence of retail and wholesale trade suggests an economy focused on distribution rather than production. The dominance of micro-enterprises aligns with typical patterns in fragile and developing contexts, where small size mitigates risk but may also limit growth potential and innovation. The low representation of women in the survey of labor assessment sample is a critical data point itself, corroborating later findings on barriers to female labor force participation.

The result in figure 7 describe the distribution of respondent by number of employees, a total of 418 from the responded in the interview reported that the vast majority (76.9%) of establishments are micro-enterprises, employing less than 5 people, while the other 14.4 % employ more than 10 employees. Also 8.8% mentioned that their business can takes about 5 -10 employees constitute. The sample includes a significant proportion of larger establishments, indicative of a relatively established organizational structure in the surveyed area.

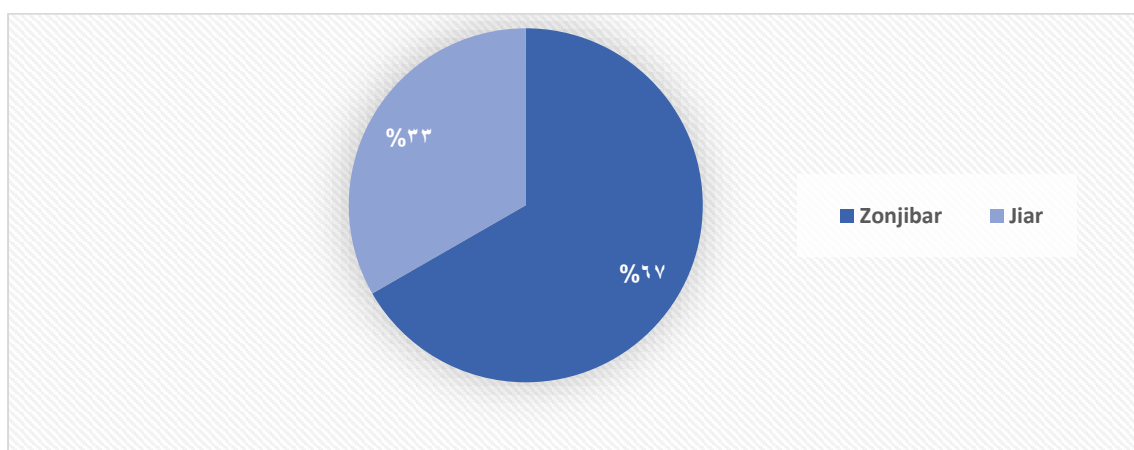
Figure 7: Distribution of respondent by Number of Employees



4.1.3 Market Information and System

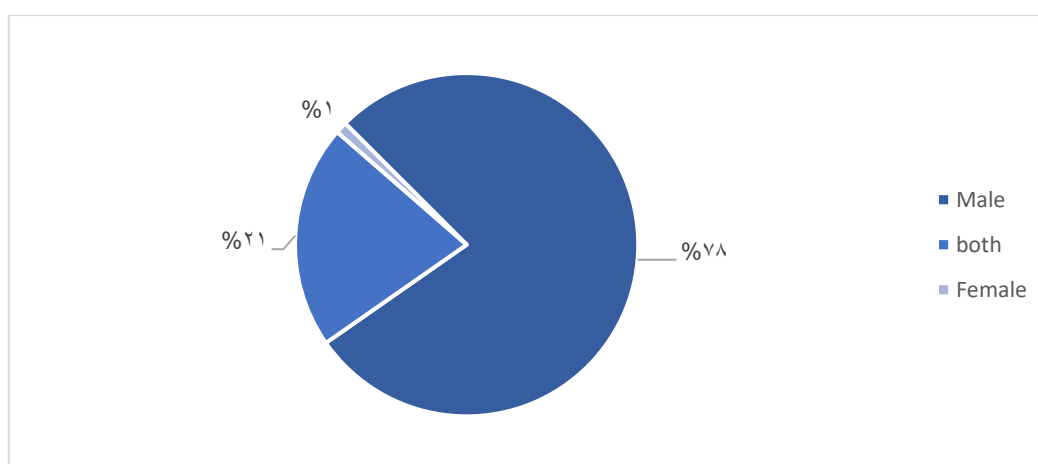
This section details the market's geographical reach and economic structure. The study's data in figure 8 found that market activity is concentrated in Zenjibar (66.7%) and Jiar (33.3%). Zenjibar and Jiar Markets are confirmed as the primary commercial centers, where supportive activities should be focused for maximum impact.

Figure 8: Distribution of respondent Market Location



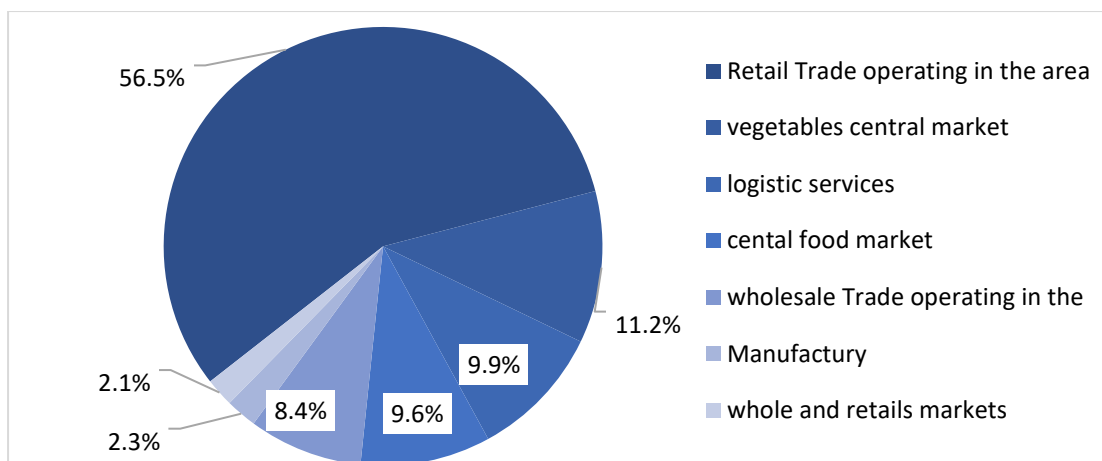
Also, the finding in figure 9 describe gender disparities in market participation, aligning with the broader pattern of gendered economic engagement in the governorate, However, the market workforce is overwhelmingly male at (77.8%) and female (21.1%), where only (1.1%) reported a workforce of both genders figure 9. This reinforces the absolute male dominance in the local labor market, highlighting a major structural barrier to women's economic participation.

Figure 9: Distribution of Workforce in the Market by Gender



For economic sectors analysis, the results in (figure 10) compare the diversity of sectors operating within the local market system, with variations in their relative prominence and employment capacity. The most prominent sector is retail trade at (56.5%), followed by vegetables central market (11.2%) and logistics services of transporting (9.9%). This result in alignment with the trade focus of the respondents (figure 6), retail trade e is the most dominant economic sector in the overall market system, underscoring its importance as a fundamental source of economic activity.

Figure 10: Economic Sectors Operating in the Market System



4.1.4 Labor demand and skills gap

The labor demand outlook is largely positive, so this section is pivotal as it directly identifies the needs that training programs can target. The data obtained in Figure 11 (employment trend) reveals that the labor market appears stagnant or contracting, with 72.4% of respondents reporting a stable number of employees and 26.6% reporting a decrease. Very few indicate an increase in hiring, which presents an opportunity for growth and targeted vocational training. However, a need for targeted training is evident.

Figure 11: Employment Trend in the market by Employment trend

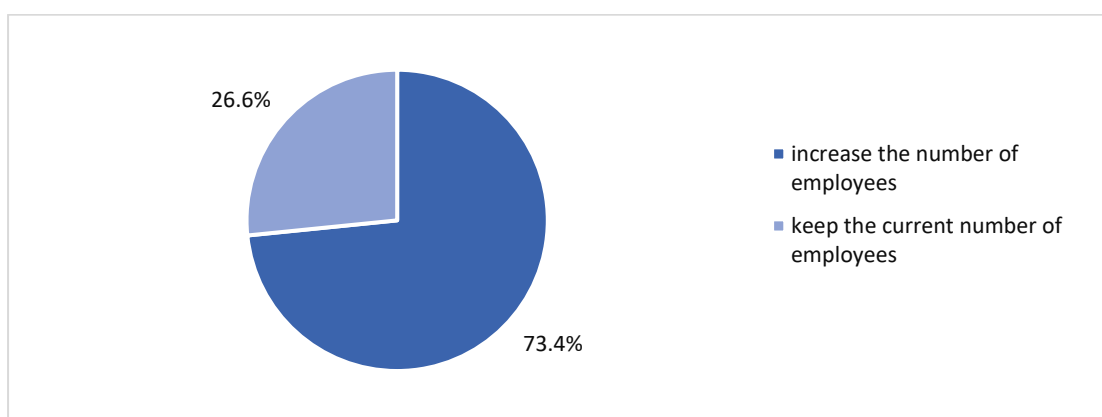
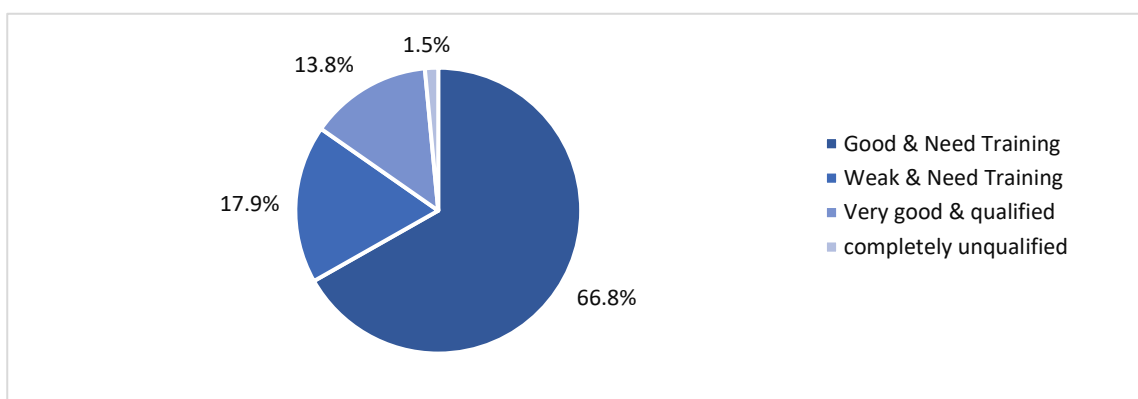


figure 12 (skills Level assessment) shows a significant majority (66.8%) of the current workforce is perceived as having low or unskilled competency levels. Only 17.9% are considered moderately skilled. However, the 66.8% of employers believe the skill level of the workforce is "good but needs training. This is a very positive finding, it suggests that employers do not see a complete lack of skills, but rather a gap that can be bridged with targeted training. This strongly justifies investment in vocational and professional development programs. Since most of the workforce is already qualified, training initiatives should focus on upskilling for specific, high-demand areas rather than extensive foundational training.

Figure 12: Labor market Skills Level Assessment



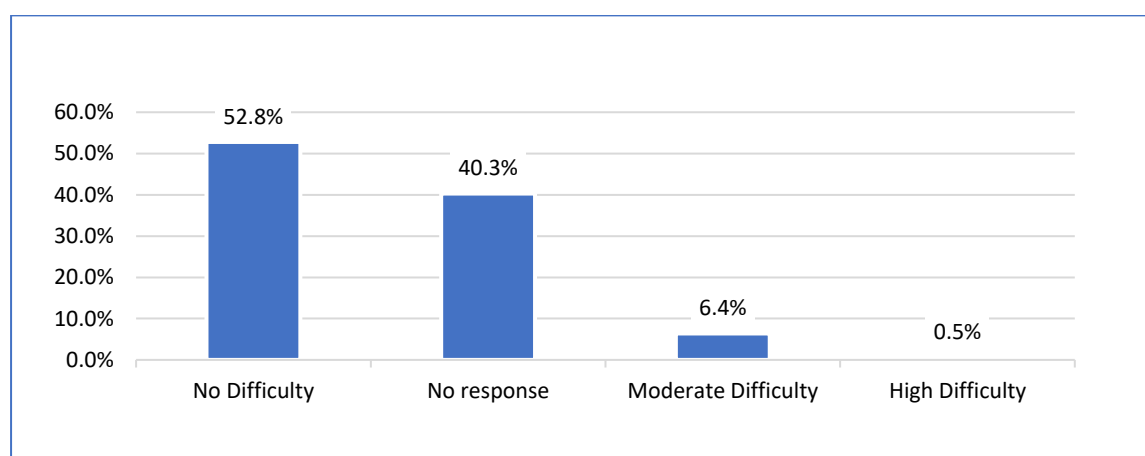
The surveyed markets possess a wide reach, acting as vital economic centers for approximately 17 villages on average

4.1.5 Positions Difficulty

The assessment also examined the difficulty in recruiting for key positions. Respondents generally reported no difficulty across all surveyed job positions. However, a significant portion also provided 'No response,' which could indicate either indifference or lack of experience with the roles.

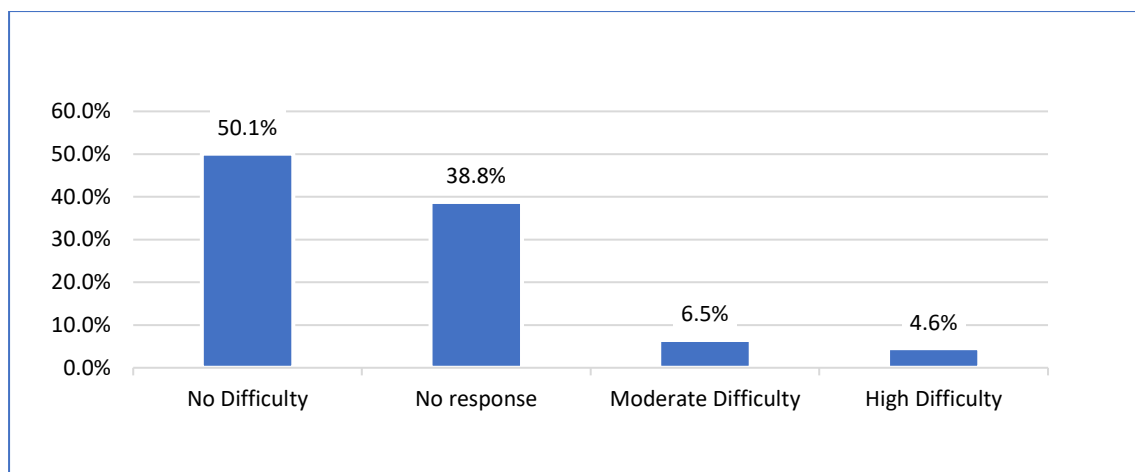
For administrative and financial positions, 52.8% of respondents reported no difficulty, while 40.3% did not respond. Moderate and low difficulty levels were minimal, at 6.4% and 0.5%, respectively (figure 13).

Figure 13: Difficulty level of Administrative & Financial Position



In contrast, marketing and sales, as well as customer service positions, presented more challenges. Around 50.1% reported no difficulty, but a substantial combined percentage (43.4% and 51%, respectively) reported moderate to high difficulty or no response (figure 14).

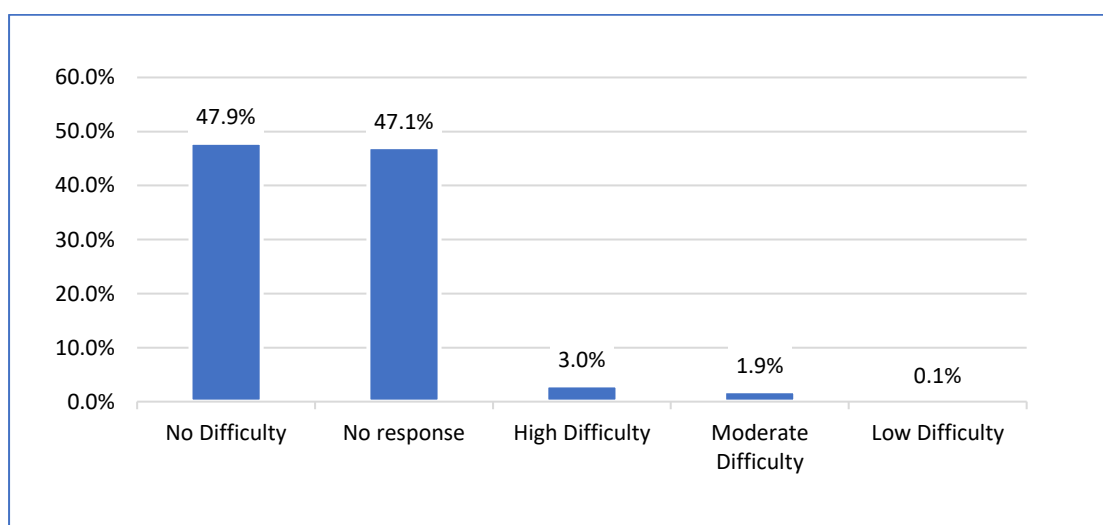
Figure 14: Difficulty level of Marketing & Sales Position



For technical and craft jobs (Figure 16), 53.2% reported no difficulty. This might seem contradictory to the need for training. However, it can be interpreted that the market may be saturated with labor possessing basic skills, but employers still see significant room for improving the quality of these skills.

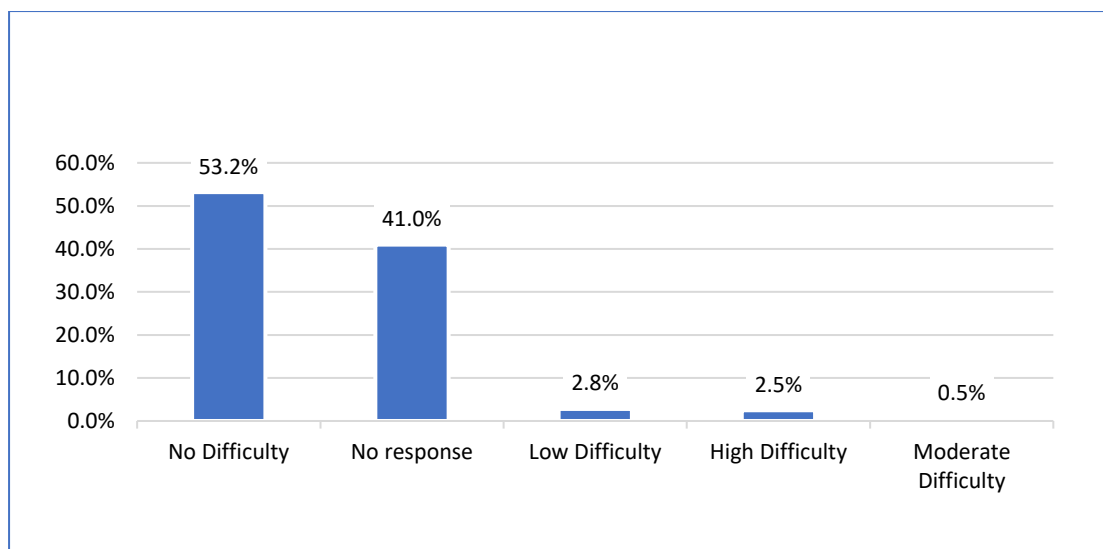
These findings suggest areas for process improvement or support in marketing and customer service. The problem may not be in 'finding' employees, but in 'qualifying' them to the desired level of productivity.

Figure 15: Difficulty level of Customer services Position



Technical and skilled trade Positions as showing in figure 16 confirms a little difficulty in this area, with 2.5% and 0.5% reporting high difficulty or high moderate difficulty in recruitment. This moderate validates the necessity of high-quality vocational training to meet industrial and service demands (figure 16).

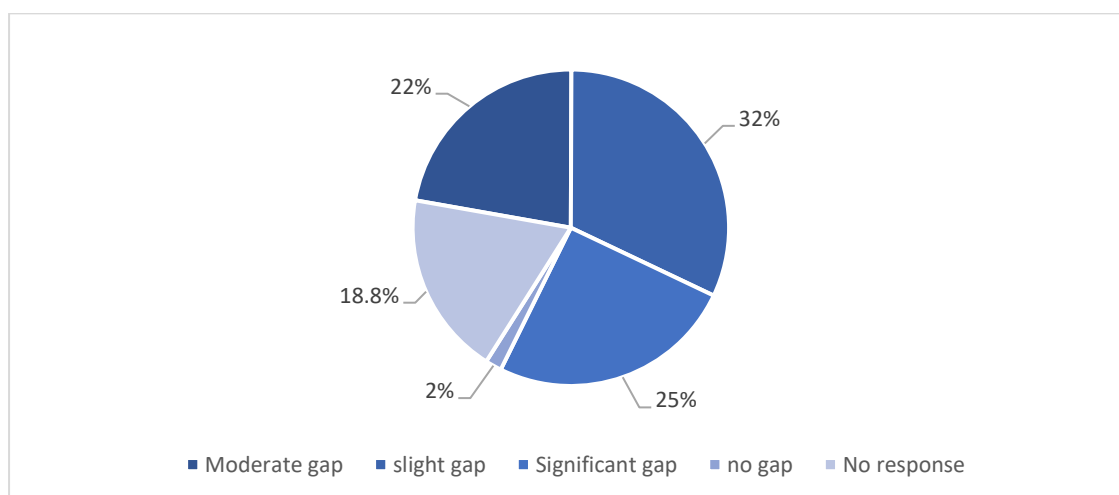
Figure 16: Difficulty Level of Technical & Skilled trade Position



4.1.6 Training Required and Skills Needed

Youth and women's empowerment is a key goal and is central to all other development goals, particularly around economic empowerment and access to markets. To assess the technical skill needs of women and youth, a study was conducted that revealed different opinions about the skill gap needs in the market.

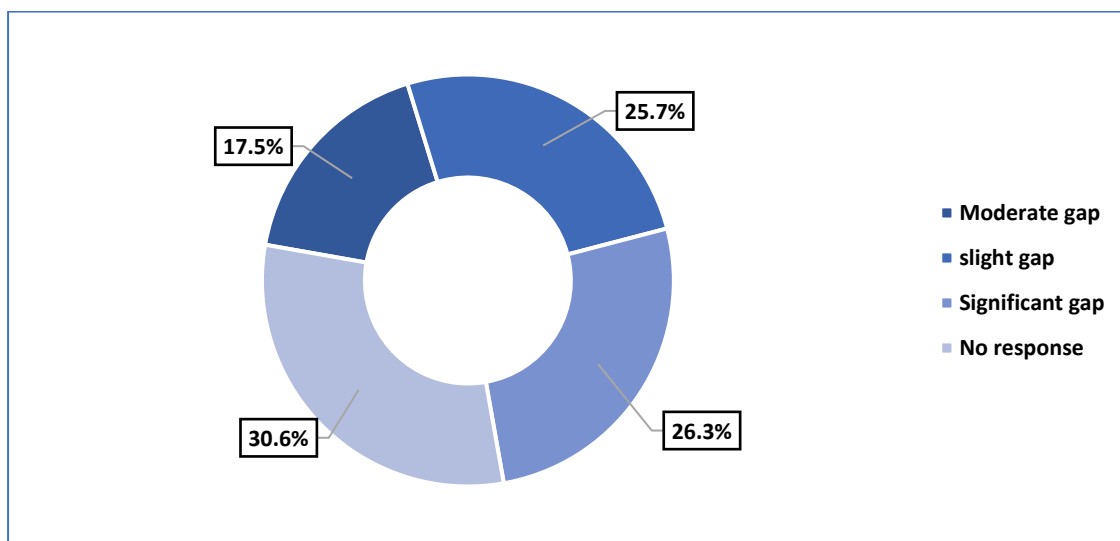
Figure 17: Job-specific technical skills Needs



The results in figure 17 showed a significant gap in job-specific technical skills, the most significant reported gap was Slight gap (32%), followed by a significant gap (25.25%). The combined gap (Slight, Significant, Moderate) totals approximately 79.53%, indicating a substantial need for technical skill development that should be a core focus of interventions. Regarding communication skills, a Slight gap is the dominant finding (30.6%). Notably, the combined percentage of reported gaps (Moderate, Slight, Significant) is 73.8%. This finding emphasizes the need to integrate essential soft skills

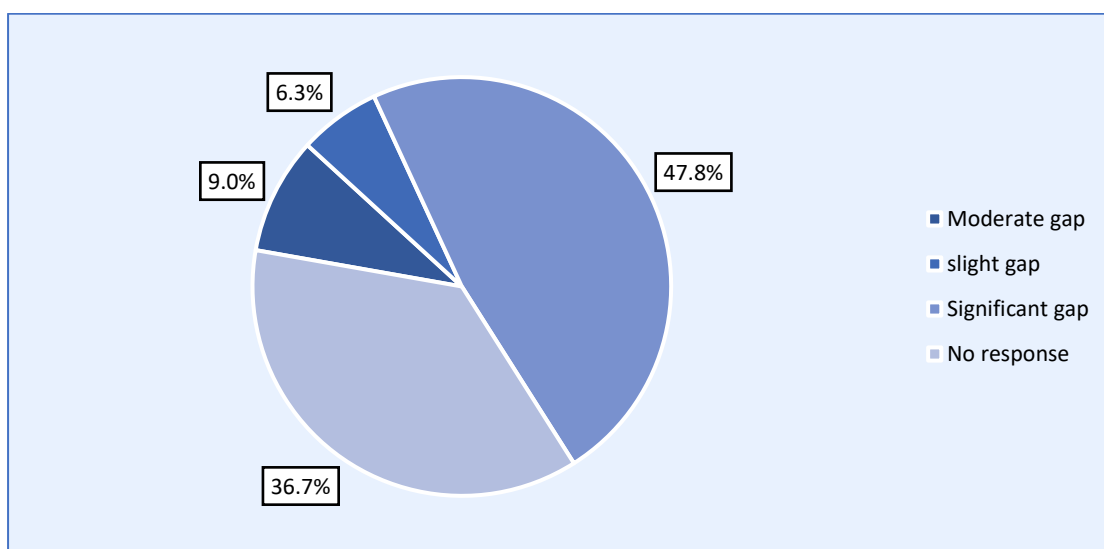
into technical training to enhance the communication abilities of youth and women figure 18.

Figure 18: Communication skills Needs



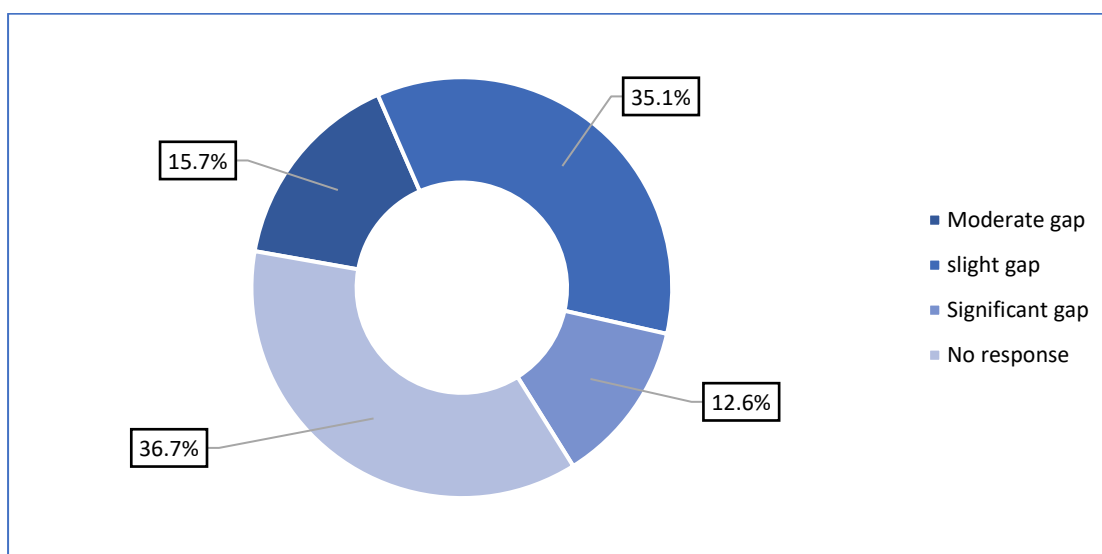
English language skills (Figure 19), nearly half of respondents reported significant gap (47.8%). However, a significant portion reported a Moderate gap (36.7%), suggesting a split in proficiency. The combined reported gaps total 63.1%, moreover, a significant deficit in digital literacy was reported, No Response and a Slight gap accounted for the largest shares (36.7% and 35.1%, respectively). The reported gaps (Moderate, Slight, Significant) total 50.8%. This highlights the importance of this skill in modern business operations.

Figure 19: English language skills Needs



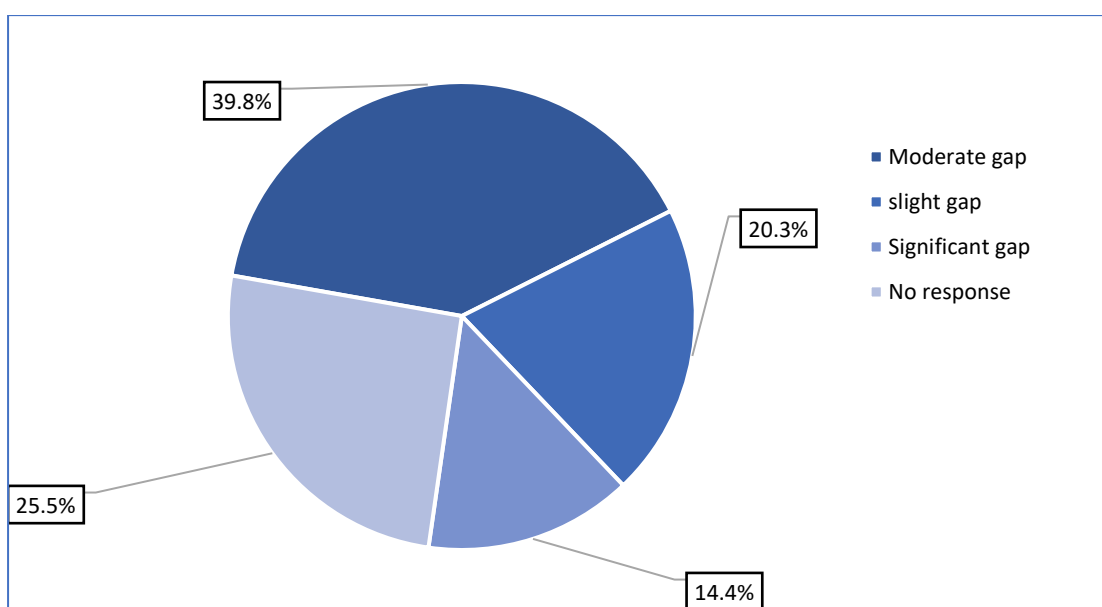
These findings underscore the importance of developing comprehensive training programs that target technical, communication, and computer skills for youth and women figure 20.

Figure 20: Basic Computer skills Needs



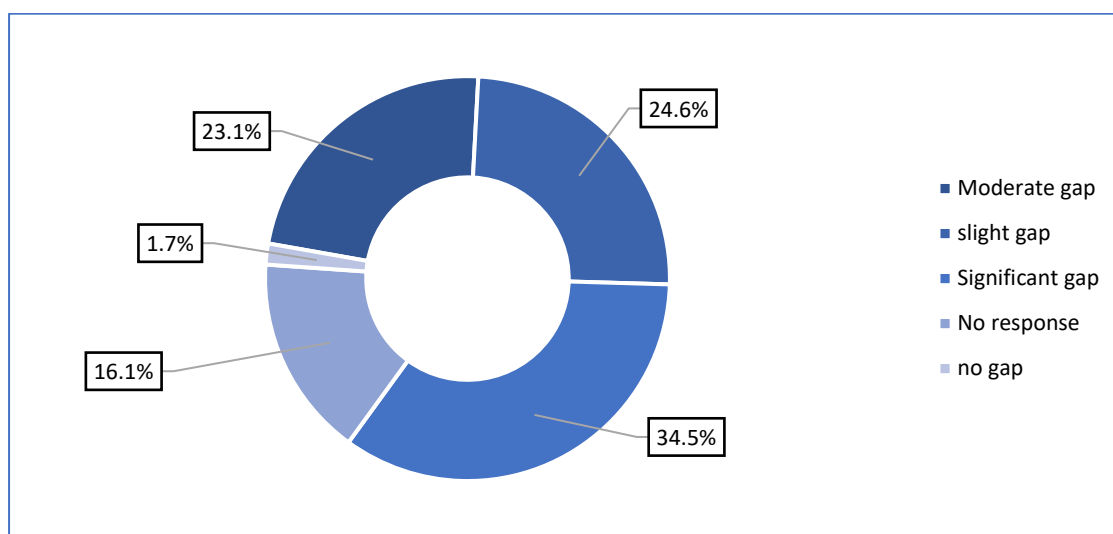
In contracts, business management skills the survey data in figure 21 indicate that the highest need is for a moderate gap (39.8%), followed by a No Response (25.5%).

Figure 21: Business management skills Needs



The total percentage of reported gaps is 74.5%. marketing and sales Skills as appear in figure 22, despite the ease of recruitment figure 14, 57.62% of employers report a significant gap in the actual quality and proficiency of these skills, a significant gap is the most frequent response (34.54%). The total reported gap (Significant, Slight, Moderate) is 82.2%. These results quantify the moderate skills deficits in the local market. The exceptionally high gaps in business management and marketing/sales skills provide a clear explanation for the reported difficulty in filling these positions and represent a primary bottleneck for entrepreneurial success.

Figure 22: Marketing and Sales skills Needs



Critical skills gaps, contrary to the low operational difficulty, a severe skills deficit exists. Significant to moderate gaps were identified in Job-Specific Technical Skills (32% large gap), English Language (36.7% large gap), Basic Computer Skills (35.1% moderate gap), Business Management (39.8% moderate gap), and Marketing & Sales (34.5% large gap). This indicates that while businesses can function, they lack the advanced and modern skills necessary for expansion, innovation, and accessing broader markets.

The workforce generally reports low perceived difficulty across Administrative & Financial, Marketing & Sales, Customer Service, and Technical & Skilled Trades positions, though a significant portion provided no response, suggesting either low awareness or ambiguity in the roles. Despite low perceived difficulty, there are pronounced skill gaps across all assessed areas: Job-specific Technical Skills, Communication, Basic Computer, Business Management, and Marketing and Sales, with the majority of respondents indicating a gap. Prioritize targeted training for business and technical skills through Implement comprehensive training programs to bridge the significant gaps in Job-specific Technical Skills (79.53% combined gap) and Marketing and Sales (73.23% combined gap), directly addressing the highest reported deficiencies.

The following list in table 2 from FGDs Survey highlights the top training needs identified by the FGD participants, which are include the common across this most areas: Financial and Project Management Very High (Consensus) - Essential for capital management, profit calculation, and future planning. Marketing (General and Digital) Very High (Consensus) - Crucial for market access, customer outreach, and product promotion . Specialized Technical Skills High (Sector-Specific) - Required for equipment maintenance, modern fishing, and advanced beekeeping/tailoring techniques.

Table 2: Training needs and required skills for support small- scale businesses.

Training Need/Skill	Importance (Based on Frequency)
Financial and Project Management	Very High (Requested in almost all areas) - To improve capital management, calculate profits and costs, and plan.
Marketing (General and Digital Marketing)	Very High (Requested in almost all areas) - To open new markets, reach customers, and promote products.
Specialized Technical Skills	High (Requested in specific areas) - Equipment maintenance, modern fishing techniques (Ata), bee colony management (Al-Asalah, Amoudi), tailoring product development.
Administrative Skills Development	High - To increase productivity, organize work, and manage time.
Customer Service Skills	Medium (Requested in Amoudi).
Training Need/Skill	Importance (Based on Frequency)

The result above confirms there is needs to design and implement an intensive training program focusing 70% on Financial Management, Digital Marketing, and Risk Management, and 30% on sector-specific technical skills (e.g., modern beekeeping, equipment maintenance). Transforms practitioners into entrepreneurs capable of efficient project management and accessing markets beyond the local scope.

4.1.7 The current labor market trends

The study's findings indicate that labor market trends are characterized by significant shifts in skill demand. According to table 3, there is a growing demand for administrative and small business management skills (13.6% very high demand & 27.3% high), demand for handicrafts and traditional crafts (16.7% very high & 31% high), and skilled labor in agriculture and food production (27.1% very high & 22.9% high). In contrast, the need for marketing, sales, and e-commerce skills remains largely "low" (48.8%). Also, there is a notably high demand for skilled labor in agriculture and food production (27.1% "Very High" demand) and demand for digital/technical skills is also significant (34.2% "High").

Training programs should directly focus on these three high-demand areas. The low perceived demand for e-commerce skills might reflect a lack of awareness of its benefits or poor digital infrastructure, representing a potential future development opportunity. The market is signaling a strong demand for a combination of modern commercial skills (marketing, e-commerce, digital) and enhanced traditional sector skills (agriculture, Business management). This points to an economy that is evolving and requires a blended skillset for future income-generating activities.

Table 3: The current labor market trends

The trend in need	Low %	Moderate %	High %	Very High %
Need for sales, marketing, and e-commerce skills	48.8	26.8	17.1	7.3
Growing need for digital and technical skills	23.7	31.6	34.2	10.5

Increasing importance of language and communication skills	34.3	31.6	28.9	5.3
Demand for handicrafts and traditional trades	14.2	38.1	31	16.7
Increased demand for skilled labor in agriculture and food production	25	25	22.9	27.1
Rising demand for managerial and small business management skills	13.6	45.5	27.3	13.6

From the survey data presented in table 4, it was revealed that the agreement levels on various challenges. The most severe challenges, with the highest "Strongly Agree" percentages, are weak follow-up after training (78.4%), lack of incentives or support to continue training (68.6%), and training not aligned with labor market needs (50%). A significant majority also agree or strongly agree that training is Poor training content (31.4% and 47.1%, respectively). These findings highlight systemic failures in the current training ecosystem. The primary issues are not only the content but also the supporting structure, specifically the lack of post-training support, resources, and relevant market alignment, which collectively undermine the effectiveness of skills development initiatives.

Table 4: The current challenges that face trainees

The challenges	Agree %.	Strongly Agree %	Disagree %	Neutral %
Poor training content	31.4	47.1	15.6	5.9
Lack of resources	4.1	27.5	25.5	5.9
Weak trainers	21.6	33.3	31.4	13.7
Limited opportunities for practical application	42	34	22	2
Lack of incentives or support to continue training	31.4	68.6	0	0
Weak follow-up after training	17.6	78.4	2	2
Training not aligned with labor market needs	18	52	10	1

4.1.8 Growth Sectors and New Opportunities

The analysis of economic sector importance over time in table 5 reveals a shifting landscape. Retail trade consistently ranks as the most important sector, maintaining its top position before, after, and in the near future. The fisheries sector demonstrates remarkable resilience, ranking second before the crisis, experiencing a slight decline post-crisis, but expected to regain its second position in the near future. Agriculture's importance declined immediately after the crisis but is anticipated to recover and rise to the third position. However, the results of this section could be summarized to this Key Points:

- Retail trade remains the dominant sector across all time periods.
- Fisheries and agriculture exhibit strong resilience and potential for recovery.

- Sectors like manufacturing and services have contracted significantly since the crisis.

These trends indicate a dual economy with a persistent traditional core (retail) and resilient primary sectors (fisheries, agriculture). The demand for skills in agriculture and food production presents opportunities for value-addition and vocational training. The findings suggest that retail trade is the backbone of the local economy and should be supported. The fisheries and agriculture sectors offer promising opportunities for future growth and job creation, warranting prioritized investment and training. The low ranking of sectors like health and education may indicate dependence on government spending, saturation, or potential market gaps. Across this key finding for development and supports these sectors, it must be following the suggestion:

- 1 Support retail trade to leverage its dominant position in the local economy.
- 2 Invest in fisheries and agriculture to capitalize on their growth potential.
- 3 Implement market-led training programs with robust incentive structures and systematic mentorship to address skills gaps and support economic development.

Table 5: The growth sectors and new opportunities before and after the

The sectors	Before Crisis			After Crisis			Nearby Future		
	Frequency	Percentage	Rank	Frequency	Percentage	Rank	Frequency	Percentage	Rank
Retail Trade	50	100	1	48	96	1	44	91	1
Wholesale Trad	36	72	4	30	60	2	30	62.5	4
Agriculture	41	82	3	20	40	5	34	70.8	3
Fisheries	48	96	2	28	56	3	40	83.3	2
Manufacturing	32	64	6	21	42	4	24	50	6
Services	41	82	3	19	38	6	24	50	6
Hotels & Restaurants	21	42	11	21	42	4	24	50	6
Education	28	56	9	18	36	7	19	39.6	8
Handicrafts	33	66	5	19	38	6	27	56.3	5
Health	29	58	8	17	34	8	14	29.2	9
Contracting	27	54	10	15	30	10	20	41.7	7
Transportation	31	62	7	16	32	9	19	39.6	9

crisis and nearby future

4.1.9 The factors effect on Products and services demand

The consumer demand landscape, detailed in figure 23, There is an absolute dominance of food Items, which constitute 65.8% of total demand. This is followed by a wide margin by "Construction Materials" at 14.5%, and then "Solar Energy" at 9.0%.

The remaining categories, such as "cosmetics," "clothing," and "cheese and dairy," make up very small percentages.

This finding unequivocally confirms that the local economy is a subsistence-based economy. Consumer spending is primarily directed towards meeting basic daily survival needs, chief among them being food.

Indicator of Recovery and Reconstruction: "Construction Materials" (14.5%) is a positive indicator, suggesting construction and rebuilding activities are taking place. This implies investment in fixed assets and a degree of confidence in the future. The demand for "Solar Energy" (9.0%) once again reflects what we saw in the opportunities table (Table 8). It is not a luxury but a direct response to the inadequacy or absence of public electricity services. An independent power source has become a necessity for both households and businesses.

very low demand for clothing and cosmetics indicates weak purchasing power (which was confirmed as a major challenge in Table 5) and that consumers are focusing their spending solely on necessities.

Figure 23: the most demanded protects/services in the local market

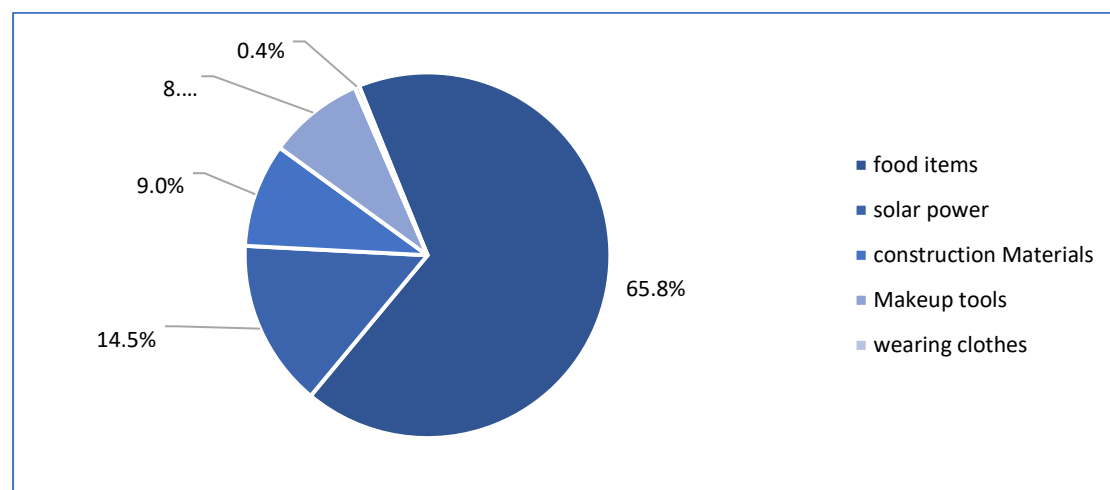
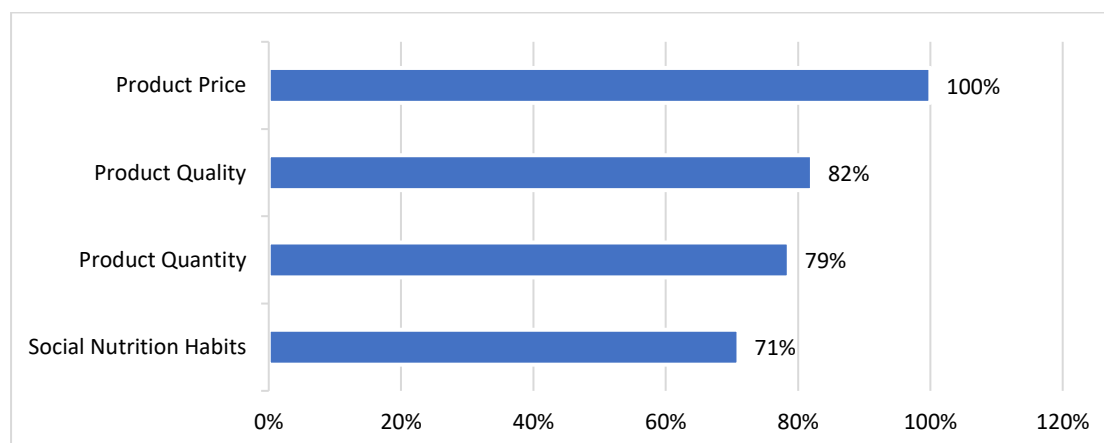


Figure 24 provide data on the factors driving purchasing decisions, Product Price consider the most decisive factor, considered influential by 100% of respondents (Rank 1). In Contracts the social nutrition habits were ranked 4 at 71%. The finding that price is the number one factor (100%) re-emphasizes the limited purchasing power. The consumer in Abyan makes decisions based, first and foremost, on what they can afford. This means any new business must adopt a highly competitive pricing strategy to have a chance of success.

It is interesting that Quality comes in a close second to Price. This is not a consumer who looks for the cheapest option regardless of anything else; rather, this is a consumer seeking the best possible value for their money. They want a good product at a reasonable price. This slightly contrasts with the finding in Table 6, where business owners considered "low product quality" a major challenge, which may indicate a gap

between what the market currently offers and what consumers are looking for. The importance of "Quantity" and "Nutrition Habits" reinforces the idea that the market is driven by basic needs and local customs. New food products must consider local tastes and habits to be accepted.

Figure 24: the factors affect demand on products and services



4.1.10 The current small and medium enterprise

This section provides an in-depth review and discussion of the findings derived from the analysis of KII and Focus Group Discussion (FGD) data across 15 areas in Abyan Governorate, Yemen. The objective is to summarize key conclusions and translate them into a set of realistic and effective recommendations to support livelihoods and micro-enterprises in the targeted areas. Table 6 provides a qualitative overview of the current micro-enterprise landscape across the 15 areas in Abyan, focusing on key operational parameters. The result in table ٦ confirms the dominance of traditional, low-tech sectors such as Livestock Farming, Tailoring, and Beekeeping across most regions. This suggests a reliance on readily available natural resources and basic skills. Specialized activities like Fishing (Ata), Mobile Phone Maintenance (Bashara, Amoudi), and Carpentry (Bashara) are localized, indicating a potential for targeted value chain development based on specific regional advantages. Most projects fall into two categories: Long-standing (5+ years) activities like Livestock and Agriculture, which are deeply rooted in the community, and Recent (1-5 years) activities like Henna Packing, Coiffure, and Mobile Maintenance, often associated with women's empowerment or recent market needs. The ownership structure is overwhelmingly individual or small family partnerships (1-3 owners), highlighting the micro-scale nature and limited capacity for risk-sharing or large-scale investment.

Table 6: The current small and medium business (enterprise) in Abyan

Project Type	Region	Number of Owners/Partners	Capital Source	Operating Duration (Years)	Primary Marketing Channel
Henna Packing	Al-Khobar, Al-Khadra', Sheikh Abdullah, Al-Sarh, Al-Tariyah, Al-Tumaisi, Al-Koud, Bir Al-Sheikh	1-2 (Mostly individual women)	Personal Savings / Family Loans / Debts	1-5	Local Community / Word-of-Mouth
Tailoring/Sewing	All 15 regions (Widespread)	1-2 (Mostly individual women)	Personal Savings / Micro-Loans (if available)	2-10	Local Market / Direct Orders / Word-of-Mouth
Incense and Perfume Industry (Bakhoor)	Al-Asalah	1-2 (Mostly individual women)	Personal Savings / Family Loans	1-5	Local Community / Direct Sales
Coiffure (Hairdressing/Beauty Salon)	Al-Khobar, Al-Khadra', Sheikh Abdullah, Al-Sarh, Al-Tariyah, Al-Tumaisi, Al-Koud, Bir Al-Sheikh, Al-Asalah	1-2 (Mostly individual women)	Personal Savings / Debts	1-5	Local Community / Word-of-Mouth
Beekeeping	Al-Khobar, Al-Khadra', Sheikh Abdullah, Al-Sarh, Al-Tariyah, Al-Tumaisi, Al-Koud, Bir Al-Sheikh, Bashara, Amoudi, Al-Asalah	1-3	Personal Savings / Family Loans	3-10	Local Market / Direct to Consumers
Dairy Production	Al-Khobar, Al-Khadra', Sheikh Abdullah, Al-Sarh, Al-Tariyah, Al-Tumaisi, Al-Koud, Bir Al-Sheikh, Amoudi	1-3	Personal Savings / Livestock Sales	3-10	Local Market / Direct to Consumers
Agriculture (Small-scale)	Al-Khobar, Al-Khadra', Sheikh Abdullah, Al-Sarh, Al-Tariyah, Al-Tumaisi, Al-Koud, Bir Al-Sheikh	1-5	Personal Savings / Family Labor	5+	Local Market / Direct Sales
Cosmetology (Hair Oil Production)	Al-Asalah	1-2	Personal Savings	1-3	Local Community
Livestock Farming	All 15 regions (Most widespread)	1-5	Personal Savings / Debts	5+	Local Market / Brokers
Grocery Shop (Baqala)	Bashara, Dahla Ahmed	1-2	Personal Savings / Commercial Credit	2-10	Local Community / Neighborhood
Mobile Phone Maintenance	Bashara, Amoudi	1-2	Personal Savings	1-5	Local Community

Project Type	Region	Number of Owners/Partners	Capital Source	Operating Duration (Years)	Primary Marketing Channel
Simple Carpentry	Bashara	1-3	Personal Savings	2-7	Local Community / Direct Orders
Fishing (Boats/Shore)	Ata	1-5 (Partnerships for boats)	Personal Savings / Debts	5+	Local Market / Brokers (Monopolized)
Retail (Clothing/Household Items)	Dahla Ahmed	1-2	Personal Savings / Commercial Credit	1-5	Local Market / Kiosk

The most critical finding is the pervasive reliance on Personal Savings, Family Loans, and Debts as the primary sources of operating capital. This is particularly noted as "High Risk" for Livestock and Fishing, sectors prone to external shocks (weather, fuel prices). The absence of formal or institutional micro-finance is evident, reinforcing the financial vulnerability of these enterprises.

Marketing is almost entirely dependent on Local Community, Word-of-Mouth, and Direct Sales. While effective for small-scale, localized trade, this channel severely limits growth potential and market reach. The mention of "Brokers (Monopolized)" in the Fishing sector (Ata) further highlights the lack of fair market access and the vulnerability of producers to external control table 7.

The operational data consistently points to a critical nexus of financial fragility and market isolation. Micro-enterprises in Abyan are predominantly self-funded through precarious means (savings/debt) and are confined to localized, low-growth markets (word-of-mouth/local community). This structural weakness makes them highly susceptible to external economic and environmental shocks, severely limiting their capacity for expansion and long-term sustainability.

To break the cycle of financial fragility and market isolation, interventions must simultaneously address both capital access and market reach through establish a market-linked micro-finance and digital literacy program.

A program should offer small, soft loans conditional on participation in mandatory financial literacy and digital marketing training. This will enable entrepreneurs to transition from relying solely on local word-of-mouth to accessing broader, more resilient markets, thereby increasing revenue and reducing reliance on high-risk personal debt.

4.1.11 Opportunities identified for community enterprise

The market assessment was carried out to find out the sectors, businesses and opportunities with the most potential for resilient & sustainable livelihood which can successfully contribute to the sustainable economic growth. The objective of the assets/economic profiling was to identify the small businesses and IGA opportunities available in the target region at Abyan Governorate. This section presents the findings of the main opportunities or small income-generating business ideas that you consider suitable and innovative for women and youth, the results in table 7 presents a list of small projects and livelihood opportunities identified as suitable and innovative for youth in Abyan Governorate. Each opportunity is evaluated based on "Frequency," "Percentage," and "Rank," which appears to reflect its perceived priority or feasibility. The assessment identifies a diverse range of high-potential IGAs, with a strong consensus around several key sectors. The most frequently cited opportunities, indicating high market demand or viability, include Beekeeping (32 mentions), Solar Energy (29), Groceries (29), Water Cooling (29), and Fish Shopping (29). Technical and maintenance skills are also highly valued, with Mobile Maintenance & Programming (28), Household Electricity (24), and Bicycles/Motorcycles Maintenance (24) featuring prominently. The strong presence of agricultural and food-related activities like Livestock breeding (28), Poultry farming (24), and Industry of local food products (20) underscores the importance of the primary sector and local consumption in the local economy. By examining the data, we can group unequivocally confirms that the local economy is a subsistence-based economy. Consumer spending is primarily directed towards meeting basic daily survival needs, chief among them being food. The promising IGAs in (Table 8), a diverse range of income-generating activities (IGAs) were identified. High-frequency opportunities include:

- Green/Tech Services: Solar Energy, Mobile Maintenance, Air Conditioning/Refrigeration, Household Electricity.
- Agri-business: Beekeeping, Poultry Farming, Livestock Breeding, Local Food Processing.

Table 7: Opportunities identified for women and youth community

enterprise

livelihood/business opportunities	Frequency	Percentage	Percentage Rank
Agriculture	20	100	0.62
Dates packaging	4	23.5	0.02
Plumbing	12	70.6	0.34
Mobile Maintenance & Programming	28	100	0.62
Solar Energy	29	100	0.62
Air conditioning and refrigeration	18	100	0.62
Household Electricity	24	100	0.62
Financial Literacy	9	52.9	0.22
Beekeeping	32	100	0.62
Selling ice cream (from home)	9	47.4	0.14
Groceries	29	100	0.62
Personal Skills	17	100	0.62
Aluminum	9	47.4	0.14
Water Cooling	29	96.7	0.6
Welding	10	52	0.2
Women's Sewing	11	64.7	0.28
Graphics	٦	12.5	0
Fish shopping	29	100	0.62
Mechanical Cars	14	66.7	0.31
Project Management	17	94	0.54
Livestock breeding	28	100	0.62
Men's Sewing	8	44.4	0.11
Maouez weaving	١٧	٩٤	٠,٥٤
Chicken shopping	22	95.7	0.57
Henna packaging	21	84	0.45
Automotive Electricity	22	81.5	0.4
Rose Nursery	9	52.9	0.22
Digital Marketing	15	88.2	0.48
Poultry farming	24	100	0.62
Carpentry	16	80	0.37
Construction work	17	100	0.62
Industry of local food products	20	100	0.62
Bicycles/Motorcycles maintenance	24	100	0.62
Crafts	15	83.3	0.42
Coiffure	25	89.3	0.51
Photography	7	41	0.08

These businesses/livelihood options (as displayed in the table 8) were recommended for women and youth due to moderate to high profitability, high market demand, available support services, access to market, less exposure to product- or market-related risks, and high involvement opportunity for the beneficiary and the community.

The amount of investment required to start the businesses and the level of complexity of business management were also considered during the selection of these businesses. Most of the opportunities that received top ranking from the survey are industry of local food products, the agriculture sector like Beekeeping, fisheries, poultry which are the major business opportunities in the study areas, which are most dominant business opportunities in the study area.

Also, the result in table 8 demonstrates proposed livelihood and micro-enterprise opportunities that derived from FGDs which could be summarize as bellow:

Expansion of Existing Activities: Most proposed opportunities focus on expanding and developing current projects (livestock/poultry for meat/dairy, enhancing tailoring and handicrafts). **Women's Empowerment:** Tailoring, embroidery, and hairdressing were proposed as key opportunities for women, underscoring their pivotal role in the household economy. **Efficiency Innovation:** In the fishing sector (Ata), the introduction of modern, fuel-efficient fishing techniques was proposed, demonstrating an awareness of the need for efficiency in the face of rising operational costs.

This realistic and pragmatic approach reflects participants' desire to leverage existing expertise and minimize risk. Interventions should aim to increase the efficiency and improve the quality of these activities. Support programs must be gender-sensitive, providing necessary training and equipment to increase women's income.

Table 8: Proposed Livelihood and Micro-Enterprise Opportunities by FGDs.

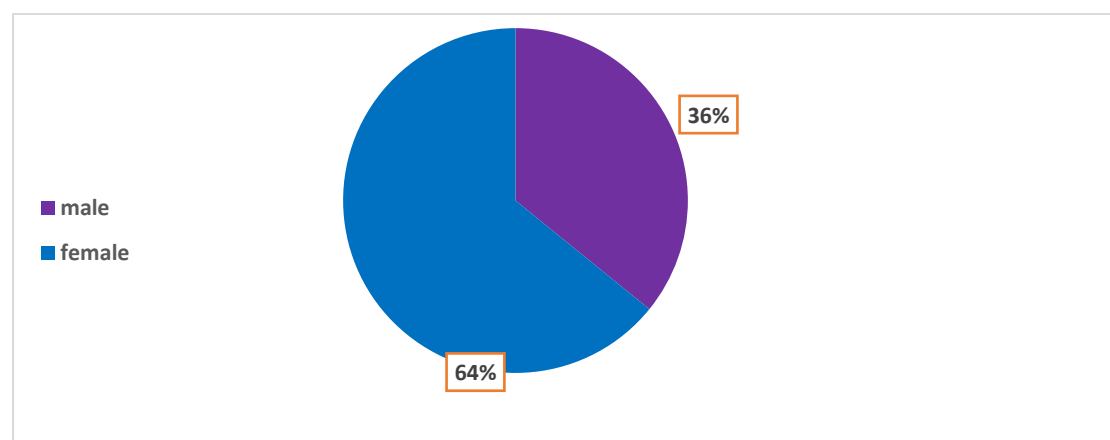
livelihood/business opportunities	Rank Propriety	Region
Expanding livestock and poultry projects (for meat and dairy production), beekeeping and honey production, tailoring, embroidery, Maouez weaving, and hairdressing (for women's empowerment), small-scale agriculture (fodder and vegetables), small commercial shops, handicrafts and henna.	1	Al-Khobar, Al-Khadra, Sheikh Abdullah, Al-Sarh, Al-Tariyah, Al-Tumaisi, Al-Koud and Bir Al-Sheikh
Supporting and developing livestock and tailoring projects, new projects requiring training and support in management, Maouez weaving and marketing.	1	Afini, Dahla Ahmed, Bashara and Khabt Al-Saloum
Introducing modern fishing techniques (fuel-efficient), providing freezing and storage refrigerators, financial support and soft loans.	1	Ata
Supporting and developing beekeeping, oil and incense production, Maouez weaving, livestock and poultry projects, hairdressing/beauty salon	1	Al-Asalah
Supporting and developing tailoring, retail, and grocery projects, new projects requiring training and support in management and marketing.	1	Dahla Ahmed
Supporting and developing beekeeping, livestock, and poultry projects, product development.	1	Amoudi

4.2 Market Assessment

4.2.1 Demographic profile

This section provides an overview of the survey participants, which is essential for understanding the context of the findings. The analysis of general respondent information reveals distinct characteristics of the participants in the labor market assessment .Figure 25 shows the distribution of respondents by gender (gender distribution), data shows a clear dominance of the female sex in the sample with a relative importance of 64% compared to 36% for male, which is likely to reflect the primary targeting of the project by targeting women and youth. Or the ease of access to data collectors for this category.

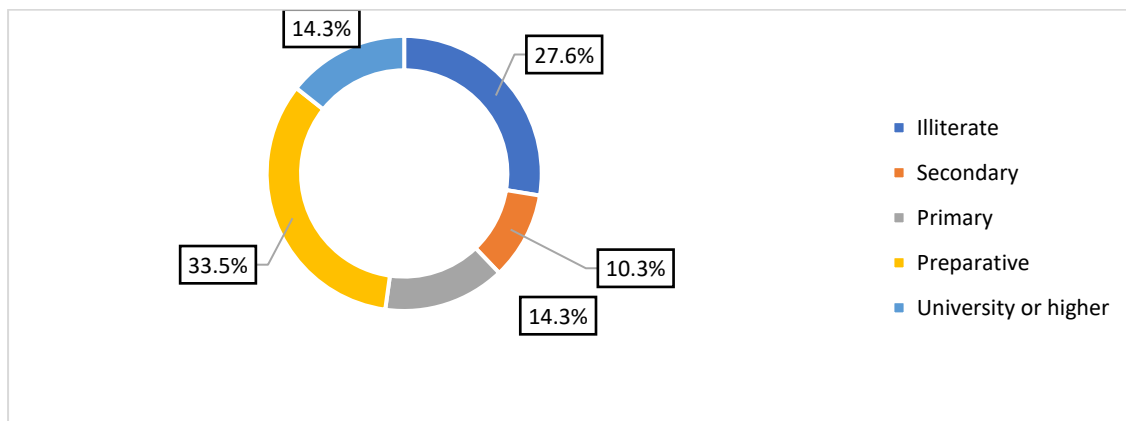
Figure 25: distribution of Market assessment respondent by Gender



This overwhelming majority of female respondents indicates that the assessment heavily reflects the realities, perceptions, and experiences of women in Abyan Governorate. This gender skew is critical for contextualizing all subsequent data, suggesting that the findings are particularly relevant for designing gender-responsive programs. The different between the two sample in gender represents because during conducted the labor assessment in the market, the male category was the most presence in the field market.

The finding of market assessment in figure 26 illustrates that only (10.3%) has completed secondary education. while a university degree or higher reach to (14.3%), also primary education (14.3, where the most respondents was preparatory (33.5%). This indicating a varied educational base within the business community and there are a large portion of the potential workforce in Abyan has a solid basic educational level (secondary), making them suitable candidates for vocational and technical training programs. The presence of a considerable percentage of university graduates also provides a base for advanced skills. The data also, reveals a population with a solid foundational education, as over 65.1% have attained at least a preparatory level. This indicates a strong baseline capacity for participants to engage in and benefit from further skills development and vocational training programs.

Figure 26: distribution of market assessment respondent by Educational Level



This trend in result, which represent the diversity of the population segments according to the educational level in the target area, indicating the urgent need to adapt training and access tools to suit this category.

4.2.2 Market access and services Information

The market landscape is centralized, with Abyan (75.5%) and Zinjibar (22.0%) serving as the primary commercial locations. While 96.1% of respondents consider the market distance acceptable, a significant portion (over 52%) travels between 1 km and 10 km. Safety is generally high, with 91.2% of men and 83.1% of women reporting safe access, though the gap highlights a persistent challenge for women. Household needs availability is confirmed by 96.7%. Crucially, 84.4% of households use both cash and debt to purchase basic needs, and 83.8% reported a price increase in the last six months, primarily attributed to the exchange rate (77.6%) and increased fuel prices (83.8%) affecting transportation costs. Money transfer systems are available (67.6%), but 38.4% must travel more than 10 km to reach them table 9.

The heavy reliance on debt for basic purchases underscores a severe liquidity crisis and weak purchasing power. The high inflation, driven by macro-economic factors (exchange rate) and energy costs (fuel), means that the cost of living is rapidly increasing. The long travel distance for money transfers and the high transport costs act as significant logistical taxes on the population, especially those in remote areas. Most economic activities and access to goods rely on these two centers, potentially imposing high transport costs on remote areas. Although 96.1% find the distance acceptable, a significant portion of the population travels moderate distances (1-10 km) to reach the market. While safe access is generally high, the 8.1% gap suggests women's safe access remains a challenge for over one-sixth of respondents. This is a positive indicator of commodity abundance in the main markets. High reliance on debt (84.4% use it) reflects weak purchasing power and dependence on credit for basic needs, increasing household financial fragility. This confirms economic inflation and deteriorating living conditions. Monetary policy and energy costs are clearly the main drivers of inflation and rising living costs.

Table 9: Market access and services Information

Variable Phrase	Value	Frequency	Percentage (%)
Market Location	Abyan	333	75.5
	Al Kod	2	0.5
	Jear	9	2.0
	Zenjibar	97	22.0
Market Distance	1 km	98	18.01
	1-5 km 2	137	25.18
	5-10 km	150	27.57
	Less one km 1	159	29.23
Market acceptable distance	Yes	523	96.1
	No	21	3.9
Is there any specific group who do not have access to these markets and services?	Yes	148	27.2
	No	396	72.8
Women safely access to the markets	Yes	452	83.1
	No	92	16.9
Men safely access to the markets	Yes	496	91.2
	No	48	8.8
Household's needs availability	Yes	526	96.7
	No	18	3.3
Purchasing Mothed of Basic Needs	Cash	45	8.3
	Debt	40	7.4
	Both	459	84.4
Is there a change in prices of Products and Foods during the past six months?	decreased	20	3.7
	increased	456	83.8
	No change	68	12.5
If the answer is the prices have increased, what are the reasons of price increment?	Exchange rate	422	77.6
	Increment in transportation cost	3	0.6

Variable Phrase	Value	Frequency	Percentage (%)
	Lack of availability of food and non-food items	6	1.1
	No comment	113	20.8
Transportation cost to the market	3000-5000 YER	25	4.60
	Less than 3000 YER	320	58.82
	More than 5000 YER	199	36.58
Reasons of increasing transportation Price	Increased fuel prices	456	83.8
	Reduced availability of vehicles	18	3.3
	Road damage / poor road conditions	70	12.9
Does the current conflict affect people's access to the market?	Yes	302	55.5
	No	142	44.5
The money transfer systems Exit	Yes	368	67.6
	No	176	32.4
The money transfer system distance	1-5 km	107	19.7
	5-10 km	75	13.8
	Less one km	153	28.1
	More than 10 km	209	38.4

4.2.3 Availability of goods (commodities) and Services

The data of table 10 demonstrate that the majority of markets offer Food and Non-food Products (54.4%). Specialized markets are less common, with Livestock Markets at 14.1% and Clothing/Household Items at 10.0%. A small but critical percentage of markets (4.8%) report that goods are not available.

Main markets are comprehensive and meet basic needs. Reflects the importance of the livestock sector but indicates that livestock markets are specialized and limited in distribution. This relatively low availability suggests these goods are primarily purchased from the major centers (Abyan and Zinjibar), not smaller local markets. Confirms that some areas suffer from a severe lack of commodity availability, increasing their dependence on distant centers.

The data confirms that the main markets are generalist hubs. The low availability of specialized goods like clothing in local markets suggests that consumers are forced to travel to the central hubs (Abyan/Zinjibar) for these items, reinforcing the logistical challenge identified in Table 9. The 4.8% lack of availability points to pockets of severe market failure or isolation.

Prices are driven by external macro-economic factors (exchange rate) and internal logistical costs (transportation), indicating a high import dependency and vulnerability. Universal availability is undercut by unaffordability, pushing 84.4 % of households into debt, which severely undermines long-term economic stability. Promoting local production (e.g., agricultural products, which are available) could buffer against import-driven price shocks.

Table 10: Availability and access to goods (commodities Offered)

Commodity Item	Frequency	Percent(%)
Food and Non-food Products Market	240	54.4
Clothing and Household Items	44	10.0
Construction Tools Market	6	1.4
Don't Exit Market	21	4.8
Food Products Market	42	9.5
Livestock Market	62	14.1
Meat and fish Market	16	3.6
Vegetables and Fruits Central Market	10	2.3

4.2.4 Proposed Activities for Livelihood Restoration for men

The results in table 11 reveals there is near-unanimous support (over 95% for all options) for livelihood activities, highlighting a critical need for work. The highest priority is given to traditional activities: Livestock Breeding (99.6%), Beekeeping (99.4%), and Agriculture (98.7%). However, modern service-based activities like Solar Energy (98.7%) and Motorcycle Maintenance (97.8%) also receive extremely high approval.

This consensus suggests any job creation intervention will be welcomed, but prioritization must be based on economic feasibility. Men prefer activities where they have traditional expertise, aligning with available regional resources. This indicates an awareness of new market needs (solar energy, maintenance) requiring specialized technical skills.

Table 11: Proposed Activities for Livelihood Restoration for men

Activity	Low	Medium	High	No need	Propriety%
Livestock breeding	0	359	175	2	99.6%
Beekeeping	1	368	166	2	99.4%
Agriculture	4	381	147	4	98.7%
Solar Energy	4	364	167	3	98.7%
Poultry farming	5	377	153	2	98.7%
Fruit and vegetables	5	404	127	2	98.1%
Chicken shop	8	418	108	2	98.1%
Household Electricity	9	396	130	2	98.0%
Bicycles/Motorcycles maintenance	5	434	91	7	97.8%
Fish Basta	10	405	119	4	97.4%
Construction work	9	451	69	5	97.4%
Construction work 9	10	450	69	5	97.2%
Groceries	8	282	86	9	95.6%

Male respondents demonstrate strong alignment with agriculture-based livelihoods—indicating both cultural familiarity and local market relevance. The lower interest in technical services reflects gaps in awareness, skills, or market readiness for such sectors.

4.2.5 Proposed Activities for Livelihood Restoration for women

The results in table 12 for women prioritize activities that are often home-based or traditional: Livestock Breeding (86.8%), Agriculture (63.1%), and Incense/Perfume Industry (63.0%). Notably, Personal Skills (48.3%) and Project Management (45.3%) training also rank highly, indicating a strong demand for administrative and business capacity building.

Entrepreneurial Focus: The high priority Livestock breeding/Agriculture on- far activities at the small and medium scale enterprise (Incense, Sweets, Sewing) indicates a strong desire for micro-enterprise development.

The high consensus across all proposed activities for men suggests that any intervention will be welcomed, but the strong approval for both traditional and modern skills (Solar Energy, Maintenance) indicate a readiness to adapt to new market demands.

Table 12: Proposed Activities for Livelihood Restoration for Women

Activity	Low	Medium	High	No need	Propriety%
Livestock breeding	7	76	194	34	86.8%
Agriculture	41	51	84	42	63.1%
Incense and Perfume Industry	10	43	105	77	63.0%
Sweets and Pastries Industry	20	63	83	84	58.4%
Sewing and embroidery	26	73	67	80	56.9%
Coiffure	26	48	73	90	51.1%
Poultry farming	25	43	67	91	48.7%
Personal Skills ¹⁹	68	113	33	88	48.3%
Project Management ²⁰	85	119	16	78	45.3%
Food Industries	45	68	31	79	44.4%
Crafts	50	46	50	86	41.4%

For women, the focus remains on low-risk, home-based activities, but the demand for management training confirms that they seek to professionalize their micro-enterprises.

Women prefer home-based or nearby activities, consistent with their traditional roles (livestock, agriculture) or domestic skills (incense). This aligns with previous FGD results, emphasizing the need for integrated support (technical and managerial skills).

4.2.6 Estimate cost of Proposed Activities for Livelihood Restoration

From the survey data in table 13 provides cost estimates for select activities, the estimated costs vary significantly, from the lowest for Henna (700,000 YER) to the highest for Sewing (4,083,636 YER) and Groceries (3,636,364 YER). Traditional activities like Livestock Breeding (1,762,679 YER) and Agriculture (2,000,000 YER) fall in the medium range. The high capital requirement for key activities like Sewing and Groceries highlights a major barrier to entry. This data is crucial for designing financial support packages, as it confirms that a significant capital injection (over 3.6 million YER) is needed for some of the most desired activities.

High sewing costs may be due to the need for advanced machinery and raw materials, while groceries require significant working capital for inventory. These costs reflect the need for essential inputs (seeds, fodder, vaccines) or purchasing livestock. Indicates that some women's projects can start with relatively low capital.

Table 13: The cost estimated for the Proposed Activities for Livelihood Restoration

Activity	Average of the estimate cost YR
Air conditioning and refrigeration	300000
Henna	700000
· Sewing	4083636
Agriculture	2000000
Beekeeping	1075000
Groceries	3636364
Livestock breeding	1762679
Photocopying (printing machine)	1000000
Incense and Perfume Industry	1822581
Sweets and Pastries Industry	1410714
Mountainite motorcycles	1000000
Fishing (small cart for transporting fish)	1000000
Coiffure	1609091

4.2.7 Accessibility to Training materials and Programs

The finding in table 14 confirm there is an asocial acceptance for training, even for women, is virtually universal (99.1%). However, a staggering 91.5% report that training equipment and materials are NOT available at reasonable prices. Despite this, 97.9% believe start-up kits are affordable and provided after training. Marketing potential is higher in central/large markets (98.9%) than in nearby local markets (62.1%). Furthermore, 99.1% believe they can achieve self-sufficiency in the medium term.

The contradiction between high social acceptance and the high cost of materials (91.5% unavailability) is the most critical finding. It strongly suggests that the community expects the implementing agency to cover the cost of materials and equipment. The high confidence in reaching central markets and achieving self-sufficiency validates the feasibility of livelihood interventions, provided the initial barrier of equipment cost is removed.

This removes any social barrier to training implementation, confirming that the demand for training is genuine and accepted. This is a major barrier to training, indicating that any training program must include provision of materials and equipment as part of the cost. This contradiction might suggest respondents trust that donors will provide these kits, or they refer to the cost of kits provided as part of the intervention. This confirms that central markets are the main marketing target, supporting the need for digital marketing training and logistical access facilitation to these centers. This reflects high confidence in the training's feasibility and its potential for sustainability. This facilitates training implementation and reduces the cost of bringing in external trainers.

Table 14: Accessibility to Training materials and Programs

Phrase variable	Value	Frequency	Percentage (%)
Is there acceptance by society for this type of training (especially women)?	Yes	539	99.1
	No	5	0.99
Is/ Are training equipment, materials and costs available at reasonable prices?	Yes	46	8.5
	No	498	91.5
Are the prices of start-up kits affordable and given after training?	Yes	533	97.9
	No	11	2.1
Is it possible to sell the products of this training, open a business or get work in nearby local markets?	Yes	501	62.1
	No	43	7.9
Is it possible to sell the products of this training, open a business or get a job in central/large markets?	Yes	538	98.9
	No	6	1.1
Is it possible to get a job after training?	Yes	523	96.1
	No	11	3.9
Are the prices of startup kits affordable and given after training?	Yes	533	97.6
	No	11	2.4
Are production costs low for this type of training?	Yes	531	97.6
	No	13	2.4
Is it possible for the beneficiary to be self-sufficient in the medium term by adopting this training?	Yes	539	99.1
	No	5	0.99
Are there any institutes, entities or people in the same region / directorate qualified to provide this type of training?	Yes	483	88.8
	No	61	11.2

5. Challenges, Issues and constraints

The study's data in table 15 indicate that small businesses in Abyan face a multitude of severe challenges, primarily related to skills, finance, and the operating environment. The most acute problem is the Limited managerial and financial expertise of entrepreneurs (98% combined agreement), which is a critical internal weakness. This is compounded by the external difficulty in marketing and attracting customers (94%). The high cost and availability of resources are also major hurdles, with strong agreement on High prices of inputs (98%), Lack of tools and equipment (90%), and Unstable availability of raw materials locally (92%). Furthermore, the operating environment is challenging due to climate and environmental challenges (96%) and the Low purchasing power of consumers (92%), which directly impacts demand and sustainability.

However, the constraints analysis reveals that "supply-side" interventions (e.g., training alone) are insufficient. The ecosystem is constrained by a lack of hard assets (tools, equipment, capital), soft skills (management, marketing), and enabling environment factors (high input costs). The near-universal agreement on the lack of managerial expertise and marketing skills is a critical finding. It suggests that entrepreneurs may have technical skills but lack the business acumen to sustain and grow their enterprises. This points to the necessity of integrated "package-based" support that combines skills training, in-kind equipment grants, access to finance, and marketing assistance.

Table 15: The main challenges facing the current small businesses in the market

The Main challenges	Agree %	Strongly Agree %	Disagree %	Neutral %
Lack of access to capital	49.8	50.2	0	0
High prices of inputs	54.2	43.1	2.7	0
Limited access to markets	81.8	14.2	4	0
Insecurity and conflict	45.9	38.7	0	15.4
Lack of tools and equipment	55	45	0	0
Limited technical skills	100	0	0	0
Intense competition in the markets	39.5	42.3	12.7	5.5
climate and environmental challenges	34	30.4	7.9	27.7
Lack access to loans and financing	53	32	7.9	7.1
Limited managerial and financial expertise of entrepreneurs	70.4	29.6	0	0
Difficulty in marketing and attracting customers	45.1	54.9	0	0
Complex regulatory procedures and licensing	41.9	39.2	3.2	15
Low quality of products or services provided	55.3	40.7	3.6	0.4
Rising prices of raw materials	51.4	34.8	0	13.8
Unstable availability of raw materials locally	51.8	32	0	16.2
Low purchasing power of consumers and reduced demand	47.4	52.6	0	0

5.1 The obstacles of Women's Participation

Despite their potential to run businesses independently, women face social-cultural barriers that hinder their progress. Barrier's data in table 16, indicate that women's participation is severely hampered by socio-structural barriers: The primary barrier for women entering the labor market is the Limited suitable and flexible job opportunities, with an overwhelming 97.9% agreement. This suggests that the market structure itself is not accommodating to women's needs. While Social traditions and customs (82%) and social perception of certain professions (72%) are significant, they are secondary to the structural lack of appropriate work. Furthermore, the difficulty in balancing work and family responsibilities (63.2%) and the Lack of appropriate and safe transportation (71.4%) are key logistical and social constraints that limit women's mobility and participation.

The data unequivocally shows that the market is not gender neutral. The barriers are not primarily about skills but about deeply ingrained social norms and practical access. The near-unanimous agreement on the lack of suitable opportunities suggests that the existing market structure does not accommodate female workers.

Table 16: The main obstacles/barriers that women face in entering the labor market

The main obstacles/barriers	Agree %	Strongly Agree %	Disagree %	Neutral %
Social traditions and customs	16	66	12	6
Difficulty balancing work and family responsibilities	12.2	51	22.4	14.3
Limited suitable and flexible job opportunities	12.2	85.7	0	2
Social perception of certain professions	12	60	20	8
Lack of appropriate and safe transportation	6.1	65.3	26.5	2

5.2 Small Businesses' constraints

Also, the findings from FGDs as showing in table 17 reveal that the majority of the women and youth face multiple barriers in running their micro and small business/IGAs. The primary challenges include:

Primary Financial Constraint: Lack of capital and operating finance is the most prominent and frequently cited challenge across all areas, followed by debt and high prices of essential inputs (fodder, fuel).

Skills and Management Gaps: Weak administrative and marketing expertise was repeatedly requested, indicating that entrepreneurs lack the necessary skills to efficiently manage their projects and access new markets.

Environmental and Infrastructure Challenges: Climatic conditions (drought, weather volatility) severely impact livestock and beekeeping. Lack of basic services (electricity, water, roads) and poor market infrastructure represent a structural challenge.

This confirms that the core issue is liquidity shortage and high input costs, preventing expansion or even continuity. Financial support is not merely a need but a critical barrier to growth. This suggests that financial aid alone is insufficient. Interventions must be coupled with capacity-building programs focusing on business and administrative aspects to ensure project sustainability. These challenges are beyond the control of entrepreneurs and require infrastructure and policy-level interventions to create a stable operating environment.

Table 17: The main challenges small businesses in Abyan

The main challenges	Region
Lack of capital, scarcity of employment opportunities, high prices of essential goods (fodder, fuel, food), debts, lack of basic services, weak market infrastructure, agricultural and livestock activities affected by climatic factors.	Al-Khobar
Lack of capital, scarcity of employment opportunities, high prices of essential goods, debts, lack of basic services, weak market infrastructure, agricultural and livestock activities affected by climatic factors.	Al-Khadra', Sheikh Abdullah, Al-Sarh, Al-Tariyah, Al-Tumaisi, Al-Koud and Bir Al-Sheikh
High material costs, lack of operating capital, poor marketing experience, weather fluctuations, lack of support, difficulty accessing markets.	Bashara
Difficulty securing sufficient capital, lack of administrative and marketing experience, high cost of raw materials and tools, impact of climatic conditions.	Khabt Al-Saloum and Afini
High fuel prices, debts, high cost of working tools, poor quality of working tools, lack of freezing and storage refrigerators, market monopolization, fishing boat burned due to war.	Ata
Lack of expertise (in mobile phone maintenance), financing issues, competition, difficulty opening new markets.	Amoudi
Lack of capital, scarcity of employment opportunities, high prices of essential goods, difficulty in marketing, lack of administrative experience.	Dahla Ahmed
Scarcity of seasonal pastures and weather changes (affecting bees), high cost of raw materials, lack of continuous technical support, need for more equipment, lack of operating capital, poor marketing experience.	Al-Asalah

Finally, the findings in table 18 also confirm that there several critical challenges impacting community livelihoods and enterprises, these challenges are multi-faceted, with near-unanimous agreement (over 97% for most issues). The top challenges are Limited Access to Finance (99.3%), High Input Prices (99.1%), Lack of Job Opportunities (98.9%), and Crop Pests/Diseases (98.8% and 97.3%). Structural issues like Lack of Water Resources (98.1%), Impact of Conflicts (97.2%), and Climate Change (95.9%) are also highly ranked. Limited Market Access (88.7%) is the lowest-ranked challenge, but still significant. The data confirms that the primary obstacles are financial and biological/environmental. The high ranking of financial constraints and high input prices aligns with the debt reliance found in Table 4. The structural challenges (water,

climate, conflict) require long-term, multi-sectoral interventions, while the financial and biological issues demand immediate, targeted support

The main challenges are financial (finance/cost) and biological (diseases/pests), requiring a dual intervention (financial and technical). These require long-term interventions in climate adaptation, water resource management, and peacebuilding. Although limited market access is the least approved (88.7%), it remains a significant challenge, reinforced by low purchasing power, meaning the market exists but cannot absorb the products.

These results evident that financial constraints and rising costs directly restrict the ability of community members and enterprises to invest in necessary resources. The near-universal consensus on these issues underscores how economic barriers prevent sustainable livelihoods and enterprise growth. The high input prices likely strain operational budgets, while limited financing options curtail expansion opportunities. Meanwhile, restricted access to agricultural inputs compounds these difficulties by limiting production capacity and efficiency. So, efforts should be made to addressing both the financial and material resource gaps is essential for improving community livelihoods and enterprise viability. Prioritizing interventions such as subsidizing input costs, facilitating easier access to affordable credit, and ensuring the steady supply of agricultural inputs could alleviate these critical bottlenecks.

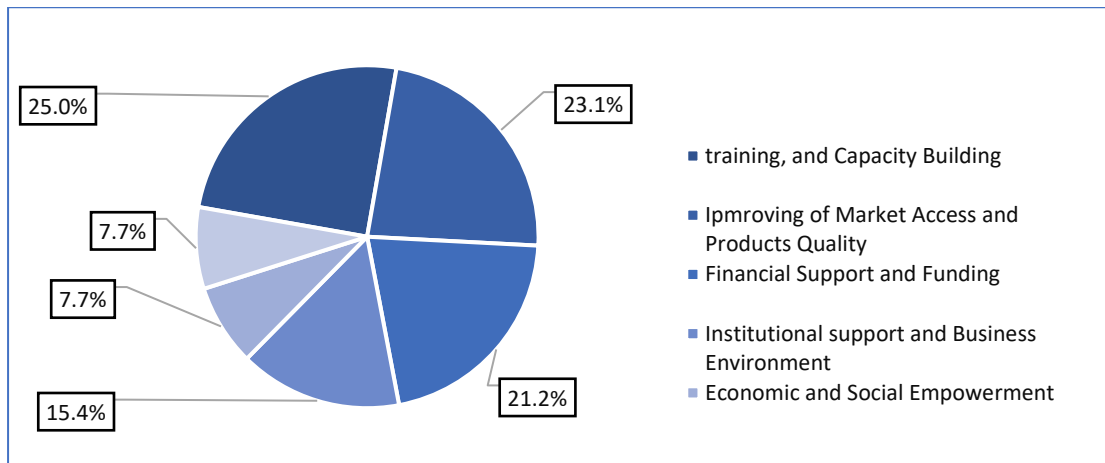
Table 18: The key Challenges communities faced in their livelihoods

key issues	Disagreed	Neutral	Agree	Strongly agree	Agree / Sum Percentage (%)
Livestock diseases	0.6	2.1	49.9	47.4	97.3
Limited access to agricultural inputs	0.75	0.93	39.4	59	98.4
Lack of business/trade opportunities	1.1	0.56	51.4	46.9	98.3
Crop pests and diseases	0.93	0.37	60.5	38.3	98.8
Limited access to finance /	0	0.74	45.3	54	99.3
High input prices	0.75	0.19	46	53.1	99.1
Lack of water resources	0.37	1.49	56.8	41.3	98.1
Climate change and environmental shocks	1.1	3	58.2	37.7	95.9
Limited market access	7.3	3.9	53.6	35.1	88.7
Low purchasing power	0.19	1.48	50.1	48.2	98.3
Lack of job opportunities	0.56	0.56	50.2	48.7	98.9
Impact of conflicts and displacement	1.5	1.3	57.5	39.7	97.2

6. Suggestions and Solutions

Training for enhancing leadership of the agriculture and small-scale business entrepreneurship is an essential intervention, as without proper skills in doing a business, the probability of failing increases. Knowledge about how to operate a certain business reduces the risk of failure. Based on the suggested income generation opportunities or IGAs, trades and business opportunities in this study, the skill development areas shown in figure 27 are considered having potential for the target beneficiaries. From the survey data which revealed in figure ٢٧ summarizes general suggestions, with the largest segments is training and capacity building (25%), follow by Improving of market access and productivity quality (23%), then financial support & Funding (21%), Economic & Social Empowerment (23%), and Institutional Support & Business Environment (21%).

Figure 27: Proposed Suggestions for Support Livelihoods and Small-Scale Business



This collective feedback from the community provides a robust, evidence-based blueprint for intervention, emphasizing that a holistic approach combining finance, assets, training, and market facilitation is essential for success. The community's own recommendations align perfectly with the data-driven findings, emphasizing a holistic approach that combines capacity building, financial access, and market linkages, particularly focused on micro and small enterprises.

A mix of finance, capacity-building and market linkages is prioritized. Of these, technical/managerial training and soft finance stand out as the highest combined priorities.

Practical next steps: Combine small grants/soft loans with mandatory business development support (training + mentoring) and organize marketplaces/exhibitions integrated packages address both capital and capability constraints.

6.1 Effective Support for Small Businesses

The most effective support mechanisms for small business success are centered on market access and administrative simplification. Organizing exhibitions and markets to showcase their products is the top-rated suggestion (88.3% combined effective/very effective), highlighting the critical need for market linkage. Simplifying licensing procedures (88%) is also highly valued, indicating that bureaucratic hurdles are a significant impediment. Financial and advisory support are also crucial, with high ratings for Offering free administrative and financial consultancy (90.2%) and Technical and managerial skills training (94.2%). The high-rating for-market access facilitation (94.1%) further underscores the importance of connecting producers to consumers table 19.

The requested support mechanisms perfectly mirror the identified constraints. The high demand for grants and equipment over loans suggests a context of high risk-aversion and a lack of collateral. The call for managerial training and market access confirms the earlier findings on the critical soft-skills gap.

The evidence points to the need for an integrated support package. The most critical elements are access to finance, expert business advice, and practical skills training, forming a core trifecta for enabling entrepreneurial success.

Table 19: The main suggestions for support the success of small businesses

The main suggestions support	Effective %	Very Effective %	Ineffective %	Neutral %
Providing soft loans without complicated guarantees	33.3	56.9	9.8	0
Offering free administrative and financial consultancy	47.1	43.1	7.9	2
Technical and managerial skills training	37.3	56.9	5.9	0
Organizing exhibitions and markets to showcase their products	56.9	31.4	11.8	0
Providing specialized training courses	39.2	54.9	5.9	0
Providing a small grant	25.5	66.7	7.8	0
Market access facilitation	45.1	49	3.9	2
Providing equipment	29.4	66.7	3.9	
Simplifying licensing procedures	50	38	8	4

6.2 Encourage Women's Participation

From the survey data it is revealed table 20 that the most effective strategies identified to boost women's labor participation are structural and safety focused. Ensuring safe and dedicated transportation (96% combined effective/very effective) and providing flexible job opportunities (89.8%) are seen as the most impactful interventions. This aligns directly with the obstacles identified in Table 15. Additionally, offering training programs tailored to market needs (92%) and Supporting women's small businesses through financing and marketing (91.9%) are highly rated, emphasizing the need for targeted skill development and entrepreneurial support.

The data unequivocally shows that the market is not gender neutral. The barriers are not primarily about skills but about deeply ingrained social norms and practical access. The near-unanimous agreement on the lack of suitable opportunities suggests that the existing market structure does not accommodate female workers.

The highly endorsed solutions provide a clear roadmap for a gender-responsive program. The most effective strategies appear to be those that bypass traditional labor market barriers entirely (e.g., supporting women-owned home-based businesses) and those that directly mitigate the practical obstacles to mobility and childcare (safe transport, flexible work). This suggests that a successful intervention must be transformative, actively working to create a parallel, enabling ecosystem for women rather than just trying to integrate them into the existing, exclusionary one.

The solutions preferred by respondents directly address the identified obstacles. Women are calling for targeted business support and flexible work models that accommodate their specific circumstances.

Table 20: The main suggested for encourage women's participation in the labor market

The main suggestions	Effective %	Very Effective %	Ineffective %	Neutral %
Providing flexible job opportunities (part-time, remote work)	32.7	57.1	4.1	6.1
Ensuring safe and dedicated transportation	36	60	0	4
Providing childcare facilities at or near the workplace	30	50	10	10
Raising community awareness of the importance of women's work	26	66	8	0
Offering training programs tailored to market needs, specifically for women	28	64	8	0
Supporting women's small businesses through financing and marketing	18.4	73.5	8.2	0

The FGDs conducted in the 15 sites, The table 21 below provides a summary of the key recommendations submitted by participants to improve the micro-enterprise environment and ensure their sustainability the results shows that the key recommendations from participants included. Comprehensive Support: Recommendations coalesced around the need for continuous financial support, practical training, market access facilitation, modern equipment provision, and ongoing mentorship. Infrastructure and Services: Proposals included improving basic infrastructure (electricity, water, roads) and establishing health units, particularly in remote areas. These proposals form an integrated intervention framework, where participants recognize that sustainability requires a mix of finance, capacity building,

and an enabling environment. This highlights that economic development is inseparable from the provision of essential services, which are a prerequisite for project success.

The priority was providing specialized training (product development, quality, digital marketing, financial skills), while second priority was improving access to finance (soft loans), in-kind support (equipment, production inputs), providing solar energy and drip irrigation technology, the third priority was improving market access, establishing village savings and loan associations (VSLAs), providing a veterinarian .However, the fourth Priority was encouraging collaboration and establishing local associations, creating business coaching programs.

Table 21: The main Suggestion for Improving and Supporting the Small Businesses and in Abyan by FGDs

The main Suggestion for Improving and Supporting	Primary Goal
Provide continuous financial support and soft loans	Ensure project sustainability and provide operating capital.
Offer practical training in management and marketing	Develop entrepreneurs' skills to increase profits and market access.
Facilitate and provide access to markets	Overcome marketing difficulties and open new sales channels.
Provide modern tools and equipment	Improve production quality and increase efficiency (e.g., hairdressing equipment, modern fishing tools).
Continuous encouragement and guidance from specialists	Provide technical and administrative support after the funding period ends.
Improve basic services infrastructure	Provide electricity, water, and roads (requested in Dahla Ahmed and Khabt Al-Saloum).
Establish health units	Provide healthcare in remote villages (requested in Khabt Al-Saloum).
Support women's empowerment projects	Provide employment opportunities and sustainable income for women.
Regulate fishing and protect fish resources	Ensure the sustainability of the fish resource (requested in Ata).

The analysis shows that livestock rearing, tailoring, and beekeeping are the most common economic activities in most areas. The most prominent and frequently recurring challenge is the lack of capital and operating finance, followed by weak administrative and marketing skills and the impact of economic and climatic conditions (high prices and drought). Training needs are primarily focused on financial management and marketing, underscoring the necessity for comprehensive capacity-building programs that are not limited to material support but also include continuous technical and administrative guidance to ensure the long-term sustainability and success of the projects. Furthermore, the need to improve infrastructure in some areas is highlighted as a prerequisite for the success of any economic interventions.

7. Overall Conclusions and Recommendations

7.1 Key Conclusions

The assessment of the labor and market conditions in Abyan Governorate reveals a set of interconnected challenges and opportunities, leading to the following key conclusions, categorized by area of focus:

1. Key Conclusions from Market Findings

1. Key Conclusions from Market Analysis

- ✓ **Subsistence and Trade-Dominated Economy:** The market is fundamentally geared towards meeting basic needs, with retail trade forming the economic backbone. Consumer demand is highly price-sensitive, with food being the primary expenditure.
- ✓ **Resilience in Primary Sectors:** Agriculture and Fisheries have demonstrated notable resilience despite the ongoing crisis, indicating a strong potential for recovery and growth-focused interventions.
- ✓ **Concentrated Market Access:** Economic activity is centralized in hubs like Abyan and Zinjibar, creating logistical challenges for remote producers.
- ✓ **Severe Financial Strain:** Both households (84.4% rely on debt) and micro-enterprises operate under a severe liquidity crisis. High input prices and a lack of capital are cited as top constraints, confirming a pervasive financial fragility.

2. Key Conclusions from Labor Market Analysis

- ✓ **Pervasive Skills Deficits:** While labor availability is not a primary challenge, there is a critical shortage of quality skills in business management, marketing/sales, and technical specializations, hindering enterprise growth.
- ✓ **Ineffective Training Ecosystem:** Current vocational training programs are perceived as ineffective due to poor market alignment, weak post-training support, and lack of follow-up.
- ✓ **Youthful Demographic Pressure:** A young population (48.9% aged 18-30) represents significant workforce potential but also creates urgent pressure for employment generation.
- ✓ **Structural Exclusion of Women:** The formal labor market is overwhelmingly male (87.3% in the sample), highlighting profound structural barriers to women's economic participation.

3. Key Conclusions from Economic and Social Context

- ✓ Micro-Enterprise Fragility: The business landscape is dominated by financially vulnerable, market-isolated micro-enterprises lacking managerial capacity to scale.
- ✓ Multi-Faceted Livelihood Challenges: Communities face interconnected challenges dominated by financial constraints, environmental/bio-risks (e.g., diseases, climate shocks), and infrastructure deficits (water, roads).
- ✓ Structural Gender Barriers: Women's low participation is driven by a lack of suitable opportunities, safe mobility, and work models compatible with family responsibilities, not by a lack of will (99.1% social acceptance for training).
- ✓ High Demand for Integrated Support: Communities explicitly request combined support packages addressing finance, practical training, market access, and equipment.
- ✓ Foundational Education Exists: A solid baseline of secondary education among many respondents provides a suitable foundation for effective skills training.

7.2 Evidence-Based Recommendations

Derived directly from the assessment findings, the recommendations are categorized as follows:

1. Design Integrated Livelihood Packages: Move beyond isolated interventions by combining startup grants/soft loans, quality equipment/inputs, and bundled training in business management and marketing for priority income-generating activities (e.g., beekeeping, tailoring, solar services).
2. Reform Skills Development Programs: Overhaul vocational training to be demand-driven, prioritizing financial/project management, marketing/sales, and technical skills. Ensure programs include practical application, post-training mentorship, and market linkage support.
3. Implement Gender-Transformative Interventions: Develop dedicated programs to increase women's economic participation through a) financing for women-owned, home-based enterprises; b) safe transport or work location solutions; c) flexible income opportunities; and d) community gender-awareness components.
4. Facilitate Market Access and Linkages: Help micro-entrepreneurs access broader markets by organizing local trade fairs, providing digital marketing training, and supporting the formation of producer groups or cooperatives to improve bargaining power.
5. Strengthen the Entrepreneurial Support Ecosystem: Develop local business support services offering subsidized administrative and financial consultancy.

Simplify licensing procedures and foster peer-learning networks among entrepreneurs.

6. Advocate for Complementary Infrastructure Support: Engage relevant stakeholders to advocate for improvements in critical underlying constraints such as electricity, water, and rural road infrastructure.
7. Address Structural Agricultural Constraints: Implement long-term interventions for water resource management and climate change adaptation. Explore mechanisms to subsidize input costs and ensure steady supply to alleviate financial and biological bottlenecks.
8. Strengthen Access to Production Inputs: Link producers to wholesalers, support cooperatives for bulk purchasing, and provide in-kind equipment grants for enterprises with strong market potential.
9. Promote an Enabling Policy Environment: Advocate for simplified licensing, reduced administrative burdens, improved local market regulations, and public-private partnerships to stimulate investment and job creation.
10. Support Micro, Small, and Home-Based Enterprises: Provide structured business development support tailored to community-identified opportunities, such as-
 - For Men: Agriculture integrated with solar power, livestock breeding, beekeeping, poultry farming, and bicycle/motorcycle maintenance
 - For Women: Livestock breeding, agriculture, incense/perfume production, sewing/embroidery, food processing (sweets, pastries, dairy), and henna packaging
 - For Community Enterprises: Expand fish farming, livestock/poultry projects, beekeeping, tailoring/embroidery/hairdressing (for women's empowerment), small-scale agriculture, commercial shops, and handicrafts.
11. Strengthen Market Linkages and Value Chains: Connect small enterprises to wholesale markets through aggregation hubs, collective purchasing, and transport cost-sharing. Promote digital market access, especially for women. Develop priority value chains (e.g., food products, livestock, beekeeping, solar-integrated agriculture) to improve quality and profitability.
12. Improve Access to Finance: Design tailored financial products (soft loans, revolving funds, microgrants) for women and youth. Partner with microfinance institutions to introduce risk-mitigated lending. Facilitate startup kit subsidization for high-demand, low-cost activities like sewing, incense making, and food processing.

8. Documentation



During Data Collection Across focus group discussions (FGDs) with women



Focus Group Discussions (FGDs) with women groups held in Al-Khobar



During Data Collection of labor assessment analysis using survey with individual Women



During Data Collection of labor assessment analysis using survey with individual Men



**During Data Collection Market Assessment
Analysis Using Survey with Individual Womens**



**During Data Collection of Market assessment
Analysis Using Survey With Individual Responsent**



**During Data Collection Labor Assessment Analysis
Using Survey with with Local Market
Actors/Business Agent**



**During Data Collection Labor Assessment Analysis
Using Survey with with Local Market
Actors/Business Agent**

9. Annexes



Market
assessment.pdf



Labor Market
Analysis.pdf



التقاشات البؤرية للأفراد.rar



التقاشات البؤرية للمشاريع الصغيرة.rar